

Monday, June 8, 2020

Village Board
7:00 PM

McFarland Municipal Center
Community Room

AGENDA

You are invited to this meeting through a Zoom webinar. The Public is strongly encouraged to watch and participate in these meetings remotely through either the webinar or telephone options listed below.

PLEASE CLICK THE LINK BELOW TO JOIN THE ZOOM WEBINAR:

<https://us02web.zoom.us/j/82339563800>

Or by Telephone: +1 (312) 626-6799

Webinar ID: 823 3956 3800

1. CALL TO ORDER.
2. ATTENDANCE/ROLL CALL.
3. PUBLIC ANNOUNCEMENTS AND COMMUNICATIONS.
 - a. Public Announcements
 - b. Public Communications
4. CONSENT AGENDA.
 - a. Motion to approve the minutes of the May 26, 2020 regular Village Board meeting.
 - b. Motion to approve checks #77039-77105 in the amount of \$265,776.29.
 - c. Motion to approve the amended event permit application for the Karben4 Taproom to add additional dates of June 23rd, July 28th, August 25th and September 22nd.
5. PUBLIC APPEARANCES.

- a. This is an opportunity for members of the public to address the Village Board. Please remember this is a virtual meeting conducted through the Zoom online meeting platform. Zoom meeting attendees wishing to address the board may do so using the Question and Answer feature within the Zoom online meeting platform. You may state your name, address, and provide your comments to the board for their consideration. Members of the public who are present in person and wish to address the board should fill out a public comment form and turn into the meeting chairperson. Members of the public may speak during public appearances or during their selected agenda item as they designate on the public comment form. Please adhere to the 3-minute time limit. Additionally, you may send your public comments to cassandra.suettinger@mcfarland.wi.us to be included as part of the meeting.

6. BUSINESS.

- a. Discussion and action regarding Resolution #2020-14: a resolution honoring the life of George Floyd with our actions.
- b. Finance Committee (Trustees Flaherty & Trustee Kryzenske)
Public Utilities Committee (Trustees Kryzenske & Clow)
 - 1) Discussion and action regarding the acceptance of the 2019 Municipal Financial Statements and Audit Results as presented by Baker Tilly Virchow Krause.
- c. Discussion and action to accept the sale results of the 2020 Borrowing.
- d. Discussion and action regarding consideration for the Operational Reopening Plan regarding Village services.
- e. Personnel Committee (President Czebotar & Trustee Utter)
 - 1) Discussion and action regarding approval of Addendum C (Workplace Response Policy) within the Personnel Policy Manual.
- f. Discussion and action regarding Resolution #2020-15: a resolution to create the Sustainability Committee as a Village standing committee.
- g. Discussion and action regarding Resolution #2020-16: a resolution to join the Green Tier Program through the Wisconsin Department of Natural Resources.
- h. Authority, Board, Commission, and Committee agenda item requests, referrals, and updates.

7. ADJOURNMENT.

This meeting notice constitutes an official meeting of the above referenced group and was posted in accordance with all applicable laws related to Open Meetings Law. It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above stated meeting to gather information. No action will be taken by any governmental body at the above stated meeting other than the governmental body specifically referred to above in this notice. Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals. For additional information or to request this service, contact the McFarland Municipal Center at (608) 838-3153 or cassandra.suettinger@mcfarland.wi.us

VILLAGE OF MCFARLAND
MCFARLAND MUNICIPAL COURT
June, 2020

Monthly Court Docket

May 12, 2020 – Court Docket – Initial Appearances

162 cases scheduled for Initial appearances (180 citations)

8 No Contest or Guilty pleas – Citations adjudicated at Initial Appearance

34 Paid prior to Appearance

19 Not Guilty pleas - Citations adjudicated or Pretrial scheduled for June 9, 2020

103 Default appearances – Scheduled for July 14, 2020 Indigency Hearing

0 Rescheduled Court date to June 9, 2020

May 12, 2020 - Juvenile Court – Initial Appearances

4 case scheduled for Initial appearances (4 citations)

0 No Contest or Guilty pleas – Citations adjudicated at Initial Appearance

0 Paid prior to Appearance

1 Not Guilty plea - Citations adjudicated or Pretrial scheduled for June 9, 2020

3 Default appearances – Scheduled for July 14, 2020 Indigency Hearing

0 Rescheduled Court date to June 9, 2020

Reviews - Monthly progress review

Court Activities

Monthly Financial Report

The Municipal Court received 92 payments for the month of May, 2020. Total revenue received by the Court was \$10,697.17. The Municipality retained \$5,860.17 in Court revenue, \$1,365.92 was sent to Dane County and \$3,470.54 was sent to the State.

There were 18 credit card transactions for the month of May. The Court received a total of \$2,590.60 in payments from GPS on-line credit card payments.

As of May, 2020, the Municipal Court has received a total of \$2,716.61 in delinquent fines from the Department of Revenue Tax Intercept Program.

As of May, 2020, the Municipal Court has received a total of \$30,425.96 in delinquent fines from the State Debt Collection.

Year to date, \$73,627.69, in forfeitures have been ordered from 451 citations adjudicated in the Municipal Court. Of that, \$4,681.00 has been converted to classroom education and/or community service hours for juveniles. A total of \$66,808.33 has been collected for 2020 and prior forfeitures.

MCFARLAND POLICE DEPARTMENT



May 2020 Monthly Report

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MAY 2020 MONTHLY REPORT

Introductory Information

As with last month's report, this one will be somewhat streamlined as compared to the typical monthly report. Department heads have been providing Village Administration with more detailed information, and in turn they have been releasing that information to the public jointly rather than through individual Department reports. As is the case with most Village departments, our operations continue to be altered in response to the COVID-19 pandemic. Across the board, operations have been adjusted to provide for the greatest degree of isolation and the least amount of personal contact.

All extra, special event and special assignment related activities have been either suspended, reduced or greatly modified to prevent personal contact to every degree possible. All training has been suspended and/or cancelled. Outreach programming (Bike Rodeo, summer programming) has been in most cases cancelled. We are attempting to conduct some programs online, such as Coffee with a Cop and other programs that are still in the creation stage. Vital outreach contact with our at-risk populations is limited to phone, video, or other means than personal contact.

Our administrative offices remain staffed, however closed indefinitely. For the most part, absent select governmental meetings, the Municipal Center is completely closed to the public.

Staffing Report

- The department continues to operate under a split-platoon schedule, intended to promote isolation and distancing between staff, and the continued ability to comply with CDC guidelines while delivering quality policing services to the community. The department will continue in that manner until Phase 2 of the Forward Dane Plan is in effect, and then further evaluation will occur to determine the appropriate time to revert to normal scheduling. Due to the enormity of the task of transitioning 19 individuals back and forth between the revised and normal rotations (and all of the related scheduling considerations such as canceling/reinstating time off requests, training plans and other schedule related items) note that the transition to normal staffing will not occur on day one of Phase 2, rather likely at an appropriate point within Phase 2. The criteria utilized in conducting this evaluation will include the metrics observed by Public Health and the prospect of stability in maintaining those metrics within Phase 2 and advancing to Phase 3.

Equipment Report

- Our three squad cars are undergoing install at General Communications.

Training Report

- No training has been conducted. All training has been cancelled until further notice.

Other Information

- The department is generally doing well and is attempting to honor employee time-off requests when it can. Supervisors are making increased efforts to monitor employee wellbeing and mental health and management is using online communication platforms to remain in contact with staff whom they no longer see due to the split schedule. Supervisors are also attempting to implement more team building activities, such as an occasional short, on-shift cookout or purchasing a meal for on-duty staff.
- The Department is generally providing all the services it would normally provide, with the following exceptions. Traffic enforcement is currently limited mainly to roadway safety violations such as speeding, reckless driving behavior, OMVWI, etc. Low-level calls for service are handled by phone, and without person-to-person contact whenever possible. Officers likely will respond, but not engage in medical calls unless necessary, such as with a combative patient. In-person community events have been suspended. Community outreach programming, such as Are You OK? and COAT have been modified to be conducted in manner that excludes personal contact. In an effort to remain engaged with the community, new outreach programming has been implemented, such as an online Coffee with a Cop event, online storybook readings, and an online bedtime story program. The administrative office remains closed, thus in-person services such as fingerprinting, and in-person bill payment have been suspended. However, alternative means have been identified to meet the community's needs in these areas. As we advance through the phases of Forward Dane, these service adjustments will begin to revert back to normal.



McFarland Fire & Rescue Department

5915 Milwaukee Street • PO Box 110 • McFarland, WI 53558-0110
(608) 838-3278 • Fax: (608) 838-3619

Emergency: 911

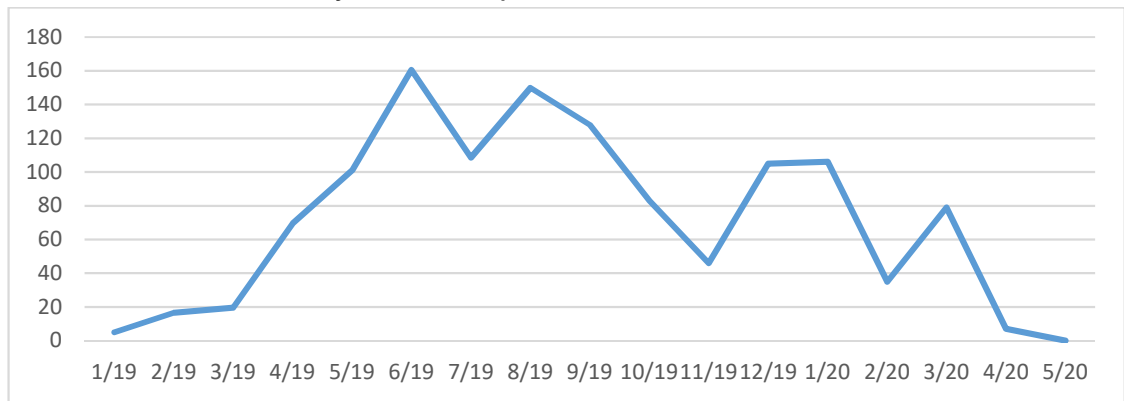
June 2020 Fire & Rescue Department Report For May 2020 Activity

- **General**

- In May, we have seen the call volume returning closer to normal. The fire incidents are still at a four-year low, and medical calls are higher than in 2019 and lower than in 2018.
- The following initiatives were implemented and continue in response to COVID-19:
 - We have closed the Fire & Rescue area to non-essential people, including village and department staff. Only the required staff may be present in our area of the building. The closing includes the fitness area that was being used by several staff members.
 - We have suspended most activities outside of the Fire & Rescue area. Fire inspections have been restarted with PPE being used.
 - We have suspended the majority of in-person department training. We have selected a couple of individuals to continue their ambulance driver training to add depth to our driver ranks.
 - We have implemented daily cleaning within the Fire & Rescue area for high contact and high traffic areas.
 - Shift changes are performed with social distancing and are required to be completed in ten minutes or less.
 - The 2018 pick-up has been equipped as the fire support vehicle for medical calls. We have added isolation gowns, N-95 masks, surgical masks, garbage bags, and hand sanitizer to the truck.
 - Increased the cleaning and disinfecting of the vehicles in the fleet and then leaving the vehicles open to allow air circulation.
 - Department training and meetings are being conducted online for groups larger than ten. Ten or less may be scheduled in person.
 - Social distancing is used among staff during the day.

- Surgical masks and safety glasses are utilized on every medical call.
- N95 masks, isolation gowns, and safety glasses are used on any patient contact that has been tested positive, suspected of COVID-19, or a higher risk procedure is performed (nebulizer, high flow oxygen, CPAP, CPR, etc.)
- Firefighters are released immediately upon determination that any additional staff isn't required. The firefighters are limited to the apparatus bay area. The sign-in process for firefighters is completed in the laundry area, where firefighters are required to wash hands after signing in for a call.
- Weekly equipment checks usually performed by the paid-on-call staff is being conducted by the career staff.
- We have worked with Dr. Kronenfeld to adopt modification to our protocols to evaluate, educate, and encourage possible COVID-19 patients to remain at home. Additionally, we have modified our respiratory distress protocol to allow the use of patient inhaler or epinephrine.
- Our PPE supplies remain sufficient.
- We are participating in N95 mask decontamination with the State EOC with the Battelle System.
- The staff is performing daily monitoring and logging of any symptoms.
- We moved the Administrative Captain into the same office as the Assistant Chief. We relocated one of the Division Chiefs into the same office as the Fire Inspector/Public Education Specialist. The move allowed offsetting.
- We have provided an estimated 36 birthday parades.
- **Staffing**
 - Current Staffing Levels
 - Fulltime Fire Rescue Chief – 1
 - Administrative Captain – 1
 - Fulltime Fire Inspector/Public Education Specialist – 1
 - Fulltime EMTs – 6
 - Fulltime Confidential Administrative Assistant - 1
 - Paid-On-Call – 60 (12 EMTs (1 on military leave), 25 Firefighters (1 Active Retired), 9 EMR/Firefighter (1 on medical), & 13 EMT/Firefighters(1 on medical leave and 1 on military leave)
 - Total Staffing Level – 70
 - Our newest members have completed their entry-level firefighter training and are now responding to calls.

- As you note below, the amount of overtime has decreased, and none was occurred in May to cover open shifts.



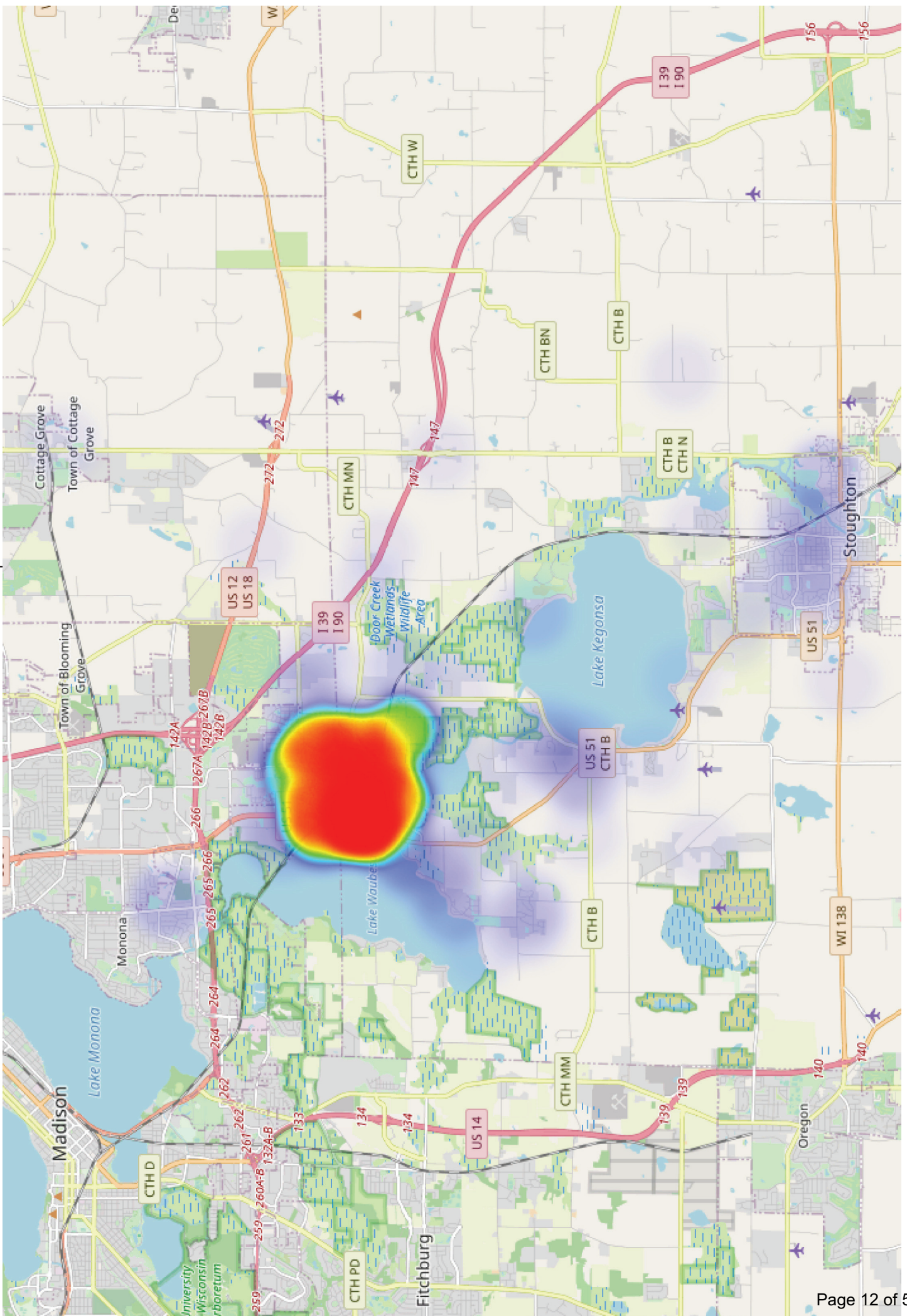
<u>Inspection/Prevention Activity</u>	<u>Completed</u>	<u>Year to Date Total</u>
Building Inspections	26	86
Fire Code Violations Identified	3	43
Re-inspections Completed	0	8
Corrections Noted	2	16
Building Plan Reviews	2	3
Development Reviews	3	8
Acceptance Test/site visits	1	5
Fire Drills	0	0
AHA-CPR Classes	0	8
AHA Attendance Total	0	85
Public Education	0	5
Public Education Attendance	0	130
Home Prevention Installations	0	3

Many fire prevention activities are suspended due to COVID-19

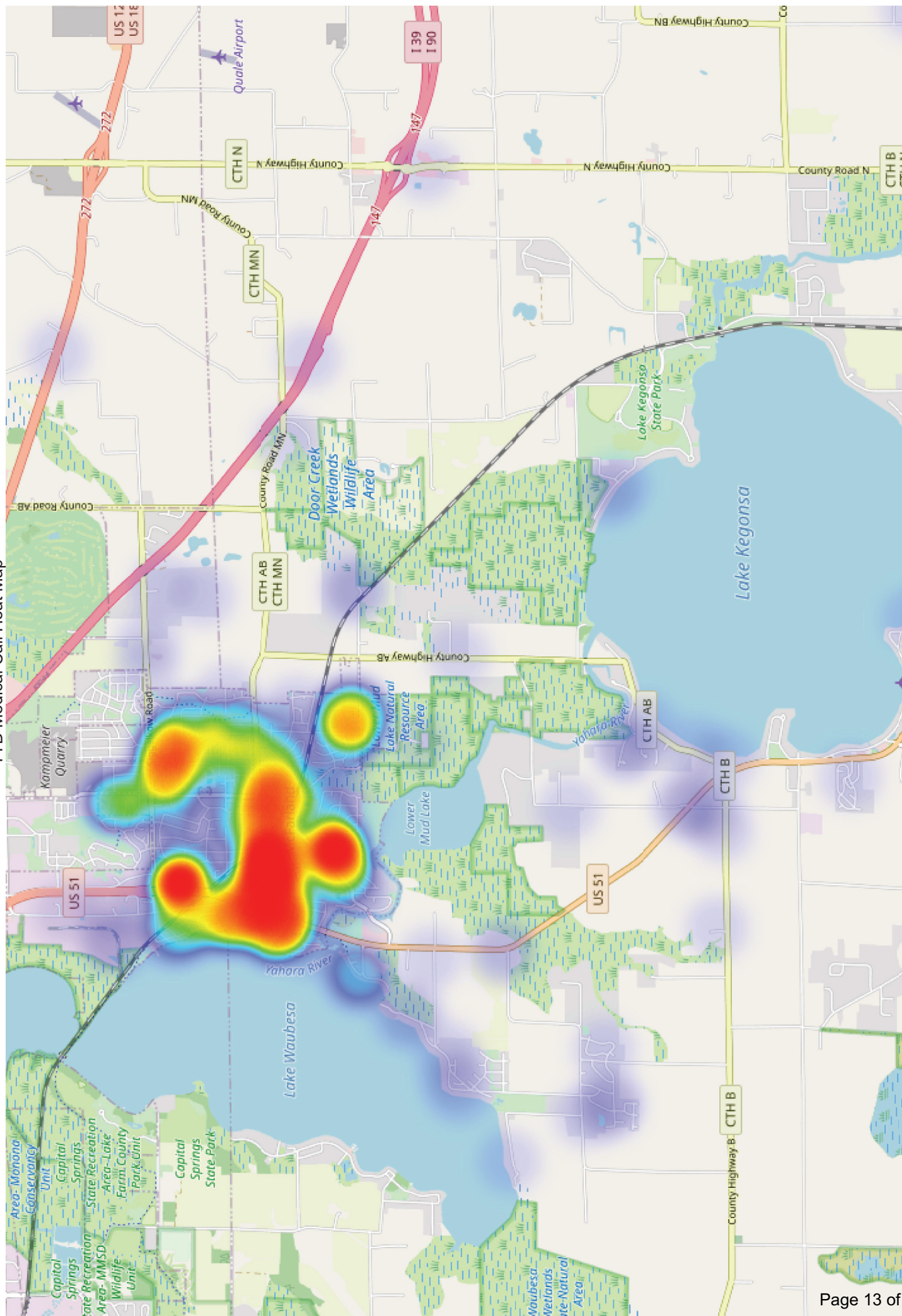
- **Apparatus & Equipment**

- The annual inspection repairs to the 1997 Aerial Ladder have been completed except for the crack to the downrigger pad holder. The final repair was delayed as other trucks in the County were out of service, and the 2005 Engine was out of service at times.
- The 2005 Engine concerns have continued with unplanned repairs occurring. The most recent was a failure of the foam pump at a small fire. A maintenance valve had become so easy to move that it closed itself. Additionally, a primer switch started to fail and required replacement.

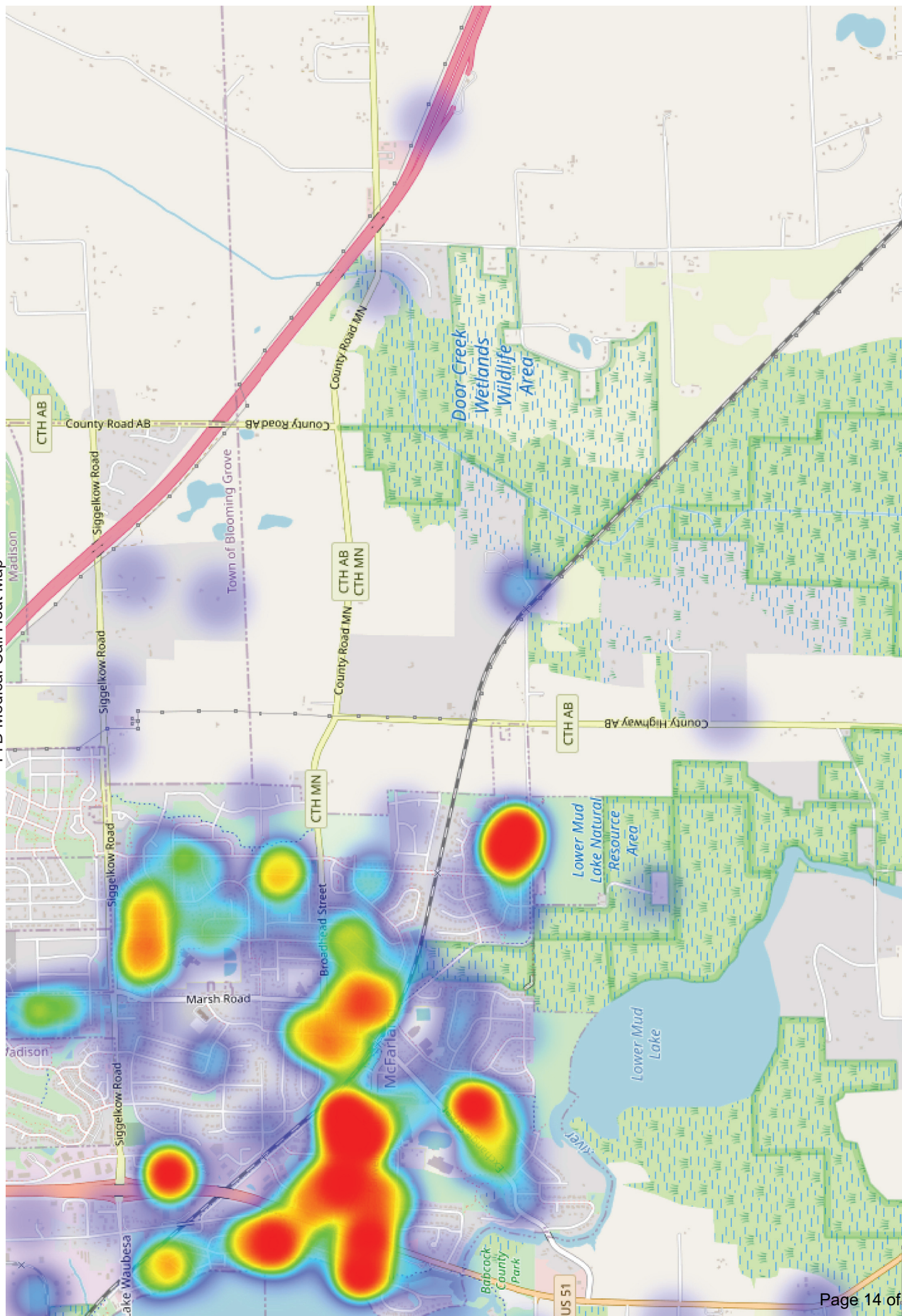
YTD Medical Call Heat Map



YTD Medical Call Heat Map



YTD Medical Call Heat Map



Ambulance Runs By Dispatch Reason

Incident Complaint Reported By Dispatch	5/1 - 5/31/20		05/01 - 05/31/2019		05/01 - 05/31/2018	
Abdominal Pain/Problems	1	1.54%	1	1.45%	3	3.85%
Allergic Reaction/Stings	0	0.00%	0	0.00%	0	0.00%
Animal Bite	0	0.00%	0	0.00%	0	0.00%
Assault	1	1.54%	0	0.00%	0	0.00%
Back Pain (Non-Traumatic)	0	0.00%	0	0.00%	0	0.00%
Breathing Problem	8	12.31%	4	5.80%	10	12.82%
Burns/Explosion	0	0.00%	0	0.00%	0	0.00%
Carbon Monoxide/Hazmat/Inhalation/CBRN	0	0.00%	1	1.45%	1	1.28%
Cardiac Arrest/Death	2	3.08%	0	0.00%	1	1.28%
Chest Pain (Non-Traumatic)	5	7.69%	4	5.80%	3	3.85%
Choking	0	0.00%	0	0.00%	1	1.28%
Convulsions/Seizure	3	4.62%	2	2.90%	0	0.00%
Diabetic Problem	0	0.00%	0	0.00%	3	3.85%
Electrocution/Lightning	0	0.00%	0	0.00%	0	0.00%
Eye Problem/Injury	0	0.00%	0	0.00%	0	0.00%
Falls	15	23.08%	16	23.19%	10	12.82%
Fire	5	7.69%	3	4.35%	7	8.97%
Headache	3	4.62%	1	1.45%	1	1.28%
Heart Problems/AICD	1	1.54%	2	2.90%	0	0.00%
Heat/Cold Exposure	0	0.00%	0	0.00%	0	0.00%
Hemorrhage/Laceration	1	1.54%	4	5.80%	3	3.85%
Industrial Accident/Inaccessible Incident/Other Entrapments (Non-Vehicle)	0	0.00%	0	0.00%	0	0.00%
Medical Alarm	0	0.00%	0	0.00%	0	0.00%
No Other Appropriate Choice	1	1.54%	0	0.00%	0	0.00%
Overdose/Poisoning/Ingestion	1	1.54%	0	0.00%	0	0.00%
Pregnancy/Childbirth/Miscarriage	0	0.00%	0	0.00%	1	1.28%
Psychiatric Problem/Abnormal Behavior/Suicide Attempt	1	1.54%	5	7.25%	0	0.00%
Sick Person	6	9.23%	10	14.49%	11	14.10%
Stab/Gunshot Wound/Penetrating Trauma	0	0.00%	0	0.00%	0	0.00%
Standby	0	0.00%	0	0.00%	3	3.85%
Stroke/CVA	1	1.54%	2	2.90%	0	0.00%
Traffic/Transportation Incident	4	6.15%	5	7.25%	12	15.38%
Transfer/Interfacility/Palliative Care	0	0.00%	0	0.00%	0	0.00%
Traumatic Injury	0	0.00%	1	1.45%	0	0.00%
Unconscious/Fainting/Near-Fainting	6	9.23%	7	10.14%	8	10.26%
Unknown Problem/Person Down	0	0.00%	1	1.45%	0	0.00%
Total	65		69		78	

Ambulance Runs By Dispatch Reason

Incident Complaint Reported By Dispatch	01/01/20 - 5/31/20		01/01/19 - 5/31/19		01/01/18 - 5/31/18	
Abdominal Pain/Problems	10	2.92%	7	2.10%	6	1.66%
Allergic Reaction/Stings	1	0.29%	0	0.00%	4	1.10%
Animal Bite	1	0.29%	0	0.00%	0	0.00%
Assault	6	1.75%	2	0.60%	0	0.00%
Automated Crash Notification	0	0.00%	0	0.00%	0	0.00%
Back Pain (Non-Traumatic)	3	0.87%	2	0.60%	3	0.83%
Breathing Problem	40	11.66%	25	7.49%	27	7.46%
Burns/Explosion	0	0.00%	0	0.00%	0	0.00%
Carbon Monoxide/Hazmat/Inhalation/CBRN	3	0.87%	3	0.90%	4	1.10%
Cardiac Arrest/Death	5	1.46%	2	0.60%	4	1.10%
Chest Pain (Non-Traumatic)	17	4.96%	26	7.78%	9	2.49%
Choking	1	0.29%	5	1.50%	4	1.10%
Convulsions/Seizure	5	1.46%	5	1.50%	9	2.49%
Diabetic Problem	3	0.87%	7	2.10%	8	2.21%
Drowning/Diving/SCUBA Accident	0	0.00%	0	0.00%	0	0.00%
Electrocution/Lightning	1	0.29%	0	0.00%	0	0.00%
Eye Problem/Injury	0	0.00%	0	0.00%	0	0.00%
Falls	68	19.83%	67	20.06%	63	17.40%
Fire	20	5.83%	15	4.49%	26	7.18%
Headache	4	1.17%	1	0.30%	1	0.28%
Heart Problems/AICD	6	1.75%	7	2.10%	10	2.76%
Heat/Cold Exposure	0	0.00%	1	0.30%	0	0.00%
Hemorrhage/Laceration	10	2.92%	11	3.29%	9	2.49%
Industrial Accident/Inaccessible Incident/Other Entrapments (Non-Vehicle)	0	0.00%	0	0.00%	0	0.00%
Medical Alarm	0	0.00%	0	0.00%	0	0.00%
No Other Appropriate Choice	1	0.29%	1	0.30%	2	0.55%
Overdose/Poisoning/Ingestion	8	2.33%	9	2.69%	4	1.10%
Pregnancy/Childbirth/Miscarriage	1	0.29%	0	0.00%	1	0.28%
Psychiatric Problem/Abnormal Behavior/Suicide Attempt	4	1.17%	8	2.40%	3	0.83%
Sick Person	49	14.29%	47	14.07%	51	14.09%
Stab/Gunshot Wound/Penetrating Trauma	1	0.29%	0	0.00%	0	0.00%
Standby	1	0.29%	0	0.00%	7	1.93%
Stroke/CVA	4	1.17%	8	2.40%	6	1.66%
Traffic/Transportation Incident	21	6.12%	26	7.78%	57	15.75%
Transfer/Interfacility/Palliative Care	0	0.00%	1	0.30%	0	0.00%
Traumatic Injury	5	1.46%	10	2.99%	0	0.00%
Unconscious/Fainting/Near-Fainting	43	12.54%	37	11.08%	42	11.60%
Unknown Problem/Person Down	0	0.00%	1	1.07%	2	0.35%
Well Person Check	1	0.29%	0	0.00%	0	0.00%
Total	343		334		362	

McFarland Fire Dept.

Fire Incident Type Period Comparisons

Alarm Date Between {05/01/2020} and {05/31/2020}

Incident Type	05/01/2020 to 05/31/2020	05/01/2019 to 05/31/2019	05/01/2018 to 05/31/2018	05/01/2017 to 05/31/2017
111 Building fire	3	1	0	0
113 Cooking fire, confined to container	0	1	0	0
131 Passenger vehicle fire	0	0	0	1
142 Brush or brush-and-grass mixture fire	1	0	0	0
154 Dumpster or other outside trash receptacle fire	0	0	0	1
162 Outside equipment fire	0	1	0	0
311 Medical assist, assist EMS crew	8	9	12	9
322 Motor vehicle accident with injuries	0	1	1	0
324 Motor Vehicle Accident with no injuries	0	1	1	0
331 Lock-in (if lock out , use 511)	0	0	0	1
411 Gasoline or other flammable liquid spill	0	1	2	1
412 Gas leak (natural gas or LPG)	0	0	0	1
420 Toxic condition, Other	0	0	1	0
424 Carbon monoxide incident	0	0	0	1
442 Overheated motor	0	0	1	0
444 Power line down	1	0	1	0
445 Arcing, shorted electrical equipment	0	0	1	1
463 Vehicle accident, general cleanup	0	0	0	2
500 Service Call, other	0	0	1	0
531 Smoke or odor removal	1	0	0	1
551 Assist police or other governmental agency	0	1	0	0
553 Public service	2	1	0	0
571 Cover assignment, standby, moveup	1	0	0	0
600 Good intent call, Other	0	0	1	1
611 Dispatched & cancelled en route	5	5	5	2
6111Cancelled en route - Auto Aid Fire	2	0	0	0
621 Wrong location	0	1	0	0
631 Authorized controlled burning	0	1	0	0
651 Smoke scare, odor of smoke	0	1	1	0
713 Telephone, malicious false alarm	0	1	0	0
714 Central station, malicious false alarm	0	0	1	0
731 Sprinkler activation due to malfunction	0	1	0	0
733 Smoke detector activation due to malfunction	0	0	1	0
735 Alarm system sounded due to malfunction	0	0	0	1
736 CO detector activation due to malfunction	1	2	0	3
743 Smoke detector activation, no fire - unintentional	0	1	1	0
745 Alarm system activation, no fire - unintentional	1	1	3	2
746 Carbon monoxide detector activation, no CO	0	3	0	0
Totals	26	34	34	28

McFarland Fire Dept.

Fire Incident Type Period Comparisons

Alarm Date Between {01/01/2020} and {05/31/2020}

Incident Type	01/01/2020 to 05/31/2020	01/01/2019 to 05/31/2019	01/01/2018 to 05/31/2018	01/01/2017 to 05/31/2017
111 Building fire	10	10	8	5
113 Cooking fire, confined to container	1	2	1	2
115 Incinerator overload or malfunction, fire confined	0	1	0	0
118 Trash or rubbish fire, contained	1	0	0	1
131 Passenger vehicle fire	2	0	1	1
140 Natural vegetation fire, Other	0	0	1	0
142 Brush or brush-and-grass mixture fire	2	0	0	1
150 Outside rubbish fire, Other	0	0	1	0
151 Outside rubbish, trash or waste fire	0	1	0	0
154 Dumpster or other outside trash receptacle fire	0	1	0	1
160 Special outside fire, Other	0	0	1	0
162 Outside equipment fire	0	1	0	0
171 Cultivated grain or crop fire	0	0	1	0
223 Air or gas rupture of pressure or process vessel	0	1	0	0
251 Excessive heat, scorch burns with no ignition	0	0	0	1
311 Medical assist, assist EMS crew	52	52	44	52
322 Motor vehicle accident with injuries	6	10	10	5
324 Motor Vehicle Accident with no injuries	1	1	6	2
331 Lock-in (if lock out , use 511)	0	0	0	2
341 Search for person on land	0	1	0	0
350 Extrication, rescue, Other	0	0	0	1
351 Extrication of victim(s) from building/structure	0	1	0	0
352 Extrication of victim(s) from vehicle	0	1	0	1
353 Removal of victim(s) from stalled elevator	0	0	1	1
361 Swimming/recreational water areas rescue	0	1	0	0
363 Swift water rescue	0	1	0	0
365 Watercraft rescue	0	1	0	0
381 Rescue or EMS standby	0	0	0	1
411 Gasoline or other flammable liquid spill	2	2	3	2
412 Gas leak (natural gas or LPG)	0	2	2	3
413 Oil or other combustible liquid spill	0	1	0	0
420 Toxic condition, Other	0	0	1	0
421 Chemical hazard (no spill or leak)	1	0	0	0
424 Carbon monoxide incident	0	1	1	3
442 Overheated motor	1	0	1	0
444 Power line down	1	0	1	0
445 Arcing, shorted electrical equipment	0	0	1	2
451 Biological hazard, confirmed or suspected	0	0	0	1
463 Vehicle accident, general cleanup	0	2	0	2
500 Service Call, other	0	0	1	0
510 Person in distress, Other	0	0	0	1
521 Water evacuation	0	1	0	0

McFarland Fire Dept.

Fire Incident Type Period Comparisons

Alarm Date Between {01/01/2020} and {05/31/2020}

Incident Type	01/01/2020	01/01/2019	01/01/2018	01/01/2017
	to 05/31/2020	to 05/31/2019	to 05/31/2018	to 05/31/2017
522 Water or steam leak	1	2	1	2
531 Smoke or odor removal	2	0	1	1
542 Animal rescue	0	0	0	1
551 Assist police or other governmental agency	0	1	0	1
553 Public service	4	2	0	0
555 Defective elevator, no occupants	1	0	0	0
561 Unauthorized burning	5	0	2	0
571 Cover assignment, standby, moveup	1	5	1	0
600 Good intent call, Other	0	0	1	2
611 Dispatched & cancelled en route	21	22	22	22
6111Cancelled en route - Auto Aid Fire	2	0	0	0
621 Wrong location	0	1	0	0
622 No Incident found on arrival at dispatch address	3	3	0	1
631 Authorized controlled burning	0	3	4	1
650 Steam, Other gas mistaken for smoke, Other	0	0	0	1
651 Smoke scare, odor of smoke	0	4	4	1
652 Steam, vapor, fog or dust thought to be smoke	1	0	0	1
661 EMS call, party transported by non-fire agency	0	0	0	1
671 HazMat release investigation w/no HazMat	0	2	1	1
700 False alarm or false call, Other	0	0	2	0
710 Malicious, mischievous false call, Other	0	0	1	0
711 Municipal alarm system, malicious false alarm	0	1	0	0
713 Telephone, malicious false alarm	0	1	0	0
714 Central station, malicious false alarm	0	1	3	0
731 Sprinkler activation due to malfunction	0	3	1	0
733 Smoke detector activation due to malfunction	1	2	1	0
735 Alarm system sounded due to malfunction	3	2	1	2
736 CO detector activation due to malfunction	2	6	1	4
740 Unintentional transmission of alarm, Other	0	0	3	2
741 Sprinkler activation, no fire - unintentional	1	1	0	0
743 Smoke detector activation, no fire - unintentional	2	2	2	2
744 Detector activation, no fire - unintentional	0	0	1	0
745 Alarm system activation, no fire - unintentional	4	2	4	6
746 Carbon monoxide detector activation, no CO	1	6	3	3
Totals	135	167	146	146

VILLAGE OF MCFARLAND

Village Board Minutes

Tuesday, May 26, 2020 - 7:00 PM

1. CALL TO ORDER.

Village President Czebotar called the regular meeting of the McFarland Village Board to order at 7:00 pm in the Community Room of the McFarland Municipal Center.

2. ATTENDANCE/ROLL CALL.

Village Board members present: Village Trustee Stephanie Brassington, Village Trustee Carolyn Clow, Village President Brad Czebotar, Village Trustee Michael Flaherty, Village Trustee Eric Kryzenske, Village Trustee Justin Rupert, Village Trustee Clair Utter.

Village Board members not present: None.

Staff Present: Administrator Matt Schuenke, Clerk/Treasurer Cassandra Suettinger, Police Chief Craig Sherven, Community and Economic Development Director Andrew Bremer, Public Works Director Jim Hessling, Fire/EMS Director Chris Dennis, and Communications & Technology Director Stephanie Miller.

3. PUBLIC ANNOUNCEMENTS AND COMMUNICATIONS.

a. Public Announcements

b. Public Communications

4. CONSENT AGENDA.

a. Motion to approve the minutes of the May 11, 2020 regular Village Board meeting.

b. Motion to approve check #76969-77038 in the amount of \$273,123.53.

c. Motion to approve appointing Gina Kolpek to serve on the Finance Committee for a term ending April 30, 2021.

d. Motion to approve appointing Rachel Fisher-Kay to serve on the Volunteer Committee for a term ending April 30, 2021.

e. Motion to approve appointing Jack Bernfeld to serve on the Personnel Committee for a term ending April 30, 2021.

- f. Motion to approve contract to continue to provide flammable liquid inspections by the Fire and Rescue Department on behalf of the State of Wisconsin.

Motion by Village President Brad Czebota, second by Village Trustee Carolyn Clow, to approve the consent agenda as presented. Motion carries 7 - 0 - 0 by acclamation.

5. PUBLIC APPEARANCES.

- a. This is an opportunity for members of the public to address the Village Board. Please remember this is a virtual meeting conducted through the Zoom online meeting platform. Zoom meeting attendees wishing to address the board may do so using the Question and Answer feature within the Zoom online meeting platform. You may state your name, address, and provide your comments to the board for their consideration. Members of the public who are present in person and wish to address the board should fill out a public comment form and turn into the meeting chairperson. Members of the public may speak during public appearances or during their selected agenda item as they designate on the public comment form. Please adhere to the 3-minute time limit. Additionally, you may send your public comments to cassandra.suettinger@mcfarland.wi.us to be included as part of the meeting.

Wes Licht, 2964 CTH AB, spoke in opposition of the Veridian/Utterback Rosewood Fields development.

6. BUSINESS.

- a. Presentation and discussion by Dane County Executive Joe Parisi regarding County's response to the COVID-19 Pandemic.

Dane County Executive Joe Parisi provided an update on the County's response to the COVID19 Pandemic. Included in the discussion was response and aid for food pantries, rent assistance, an assistance for child care centers.

- b. Plan Commission (President Czebota & Trustee Rupert)
Public Safety Committee (Trustees Kryzenske & Brassington)

- 1) Discussion and action on the request for expansion of the premise and associated site plan for the Class "B" Beer and "Class B" intoxicating Liquors License to add an additional 504 square feet to the outdoor patio for Angelo's McFarland, 4706 Farwell St.

Motion by Village President Brad Czebota, second by Village Trustee Justin Rupert, to approve the request for expansion of the premise and associated site plan for the Class "B" Beer and "Class B" intoxicating Liquors License to add an additional 504 square feet to the outdoor patio for Angelo's McFarland, 4706 Farwell St. Motion carries 7 - 0 - 0 by acclamation.

- 2) Discussion and action on the request for expansion of the premise, associated site plan, and Limited License Agreement for the Class "B" Beer and "Class B" intoxicating Liquors License to add an outdoor seating area in the front of the McFarland House Cafe, located at 5923 Exchange St. for the license period ending June 30, 2020.

Motion by Village President Brad Czebotar, second by Village Trustee Justin Rupert, to approve the request for expansion of the premise, associated site plan, and Limited License Agreement for the Class "B" Beer and "Class B" intoxicating Liquors License to add an outdoor seating area in the front of the McFarland House Cafe, located at 5923 Exchange St. for the license period ending June 30, 2020. Motion carries 7 - 0 - 0 by acclamation.

c. Plan Commission (President Czebotar & Trustee Rupert)

- 1) Discussion and action regarding Ordinance #2020-15: an ordinance to annex lands from the Town Dunn to the Village of McFarland.

Motion by Village President Brad Czebotar, second by Village Trustee Justin Rupert, to approve Ordinance #2020-15: an ordinance to annex lands from the Town Dunn to the Village of McFarland. Motion carries 6 - 1 - 0 on a roll call vote with Utter voting nay.

- 2) Discussion and action regarding Ordinance #2020-16: an ordinance rezoning lands recently annexed west of CTH AB and north of the Wisconsin & Southern Railroad from from A-1 (Agricultural Transition District) to PDD-GP (Planned Development District - General Plan Approved) and PDD-DP (Planned Development District - Detailed Plan Approved) as requested by Veridian Homes Rosewood Fields LLC.

Motion by Village President Brad Czebotar, second by Village Trustee Justin Rupert, to approve Ordinance #2020-16: an ordinance rezoning lands recently annexed west of CTH AB and north of the Wisconsin & Southern Railroad from from A-1

(Agricultural Transition District) to PDD-GP (Planned Development District - General Plan Approved) and PDD-DP (Planned Development District - Detailed Plan Approved) as requested by Veridian Homes Rosewood Fields LLC with the following conditions:

1. Revise page 8 of the General Plan/Detailed Plan to include a third bullet under the section titled Permitted & Accessory Uses to reference the Declaration of Protective Covenants, Conditions, and Restrictions.
2. Revise pages 11, 14, and 17 to strike front porches and open porches, and insert unenclosed porches.
3. Revise page 16 to require a minimum rear yard setback for District III lots of 20 feet.
4. Approval of Ordinance 2020-15.
5. Recording with the Register of Deeds the Certified Survey Map creating Lot 2 of the Utterback Limited Partnership property, as approved by the Plan Commission. The costs of preparing and recording paid by Veridian Homes.
6. Recording with the Register of Deeds the approved General and Detailed Plan with a copy of Ordinance 2020-16. The costs of preparing and recording paid by Veridian Homes.
7. Approval of a Final Plat, Development Agreement, and Declaration of Protection, Covenants, Conditions, and Restrictions by the Village Board.

Motion carries 6 - 0 - 1 on a roll call vote with Utter abstaining.

Veridian Homes provided a presentation on the Rosewood Fields LLC project. They highlighted the neighborhood layout and the goal of making the price target for the housing more affordable.

Community Development Director Andrew Bremer presented an overview of the plat and how it fits within the Village's eastside development plan.

- d. Plan Commission (President Czebotar & Trustee Rupert)
Parks, Recreation, and Natural Resources Committee (Trustees Clow & Utter)
Public Utilities Committee (Trustees Kryzenske & Clow)
Public Works Committee (Trustees Clow & Rupert)

1) Discussion and action regarding a request by Veridian Homes Rosewood Fields LLC regarding Preliminary Plat approval for Rosewood Fields Subdivision located west of CTH AB in the Village of McFarland.

Community Development Director Andrew Bremer provided an overview of the preliminary plat and the process for final approval on the plat. The final plat will come back to the Board for approval.

The Board discussed the recommendation from Chief Dennis that residential fire sprinklers be installed for homes with the side setbacks reduced to 5',

Veridian reported they would like to work with Chief Dennis on his recommendation and provide something that is as affordable as possible.

Motion by Village President Brad Czebotar, second by Village Trustee Justin Rupert, to approve a request by Veridian Homes Rosewood Fields LLC regarding Preliminary Plat approval for Rosewood Fields Subdivision located west of CTH AB in the Village of McFarland with the following conditions:

1. Veridian Homes to address those conditions as provided in the Village Engineer's Rosewood Fields Development - Zoning Submittal Review letter dated May 7, 2020.
2. Provide for review by the Village Engineer, modeling of the impacts of a 150-year storm event to the proposed development.
3. Village Board approval of Ordinance 2020-15.
4. Village Board approval of Ordinance 2020-16.
5. Veridian Homes shall have 24 months after the date of approval of the Preliminary Plat to file the Final Plat for review and approval by the Village Board, otherwise the Preliminary Plat will be considered void unless an extension is requested in writing and granted by the Village.
6. Concurrent with the Final Plat, review and approval of a development agreement and declaration of protection covenants, conditions, and restrictions by the Village Attorney and Village Board.
7. Veridian meet with Fire and Rescue staff to discuss inclusion of the fire sprinkler system recommended by Chief Dennis.

Motion by Trustee Carolyn Clow, second by Clair Utter, to amend the motion to approve the request by Veridian Homes Rosewood Fields LLC regarding the preliminary plat approval for Rosewood Fields subdivision with conditions 1-6, and require that Veridian install the fire sprinkler systems as recommended by Chief Dennis. Motion fails on a roll call vote with Czebotar, Brassington, Flaherty, and Rupert voting nay.

Original Motion passes on a roll call vote 6 - 1 - 0 with Trustee Clair Utter voting nay.

e. Public Utilities Committee (Trustees Kryzenske & Clow)

- 1) Discussion and action in order to issue a Request for Proposal (RFP) for Sanitary Sewer Cleaning and Televising Services.

Trustee Eric Kryzenske, reported on the RFP for sanitary sewer cleaning and televising services. He reported the goal is to clean 1/3 of the system each year. The Public Utilities Committee felt it best to combine the two services into one RFP.

Motion by Village Trustee Eric Kryzenske, second by Village Trustee Carolyn Clow, to approve issuance of an Request for Proposal (RFP) for Sanitary Sewer Cleaning and Televising Services. Motion carries 7 - 0 - 0 by acclamation.

- f. Public Works Committee (Trustees Clow & Rupert)

- 1) Discussion and action regarding Ordinance #2020-13: an ordinance amending the McFarland Municipal Code regarding driveways.

Community Development Director Andrew Bremer provided an overview of ordinance 2020-13.

Motion by Village Trustee Carolyn Clow, second by Village Trustee Justin Rupert, to approve Ordinance #2020-13: an ordinance amending the McFarland Municipal Code regarding driveways. Motion carries 7 - 0 - 0 by acclamation.

- 2) Discussion and action regarding the award of contract for the 2020 Public Works Center Improvement project.

Village Administrator Matt Schuenke provided an overview of the project.

Trustee Clow clarified the Board should award the amount of the bid not the contingency amount.

Motion by Village Trustee Carolyn Clow, second by Village Trustee Justin Rupert, to approve the award of contract for the 2020 Public Works Center Improvement project in the amount of 646,205. Motion carries 7 - 0 - 0 by acclamation.

- 3) Discussion and action regarding the award of a proposal for the addition of solar panels to the Public Works Center.

Motion by Village Trustee Carolyn Clow, second by Village Trustee Justin Rupert, to approve the award of a proposal for the addition of solar panels to the Public Works Center to Eagle Point Solar for the amount of \$69,498 and to direct staff to draft a contract. Motion carries 7- 0 - 0 by acclamation.

- g. Discussion and action regarding a request for a driveway variance by Sarah and John Sheehan for 6115 South Court.

Motion by Village Trustee Clair Utter, second by Village Trustee Carolyn Clow, to approve a request for a driveway variance by Sarah and John Sheehan for 6115 South Court. Motion carries 7 - 0 - 0 by acclamation.

h. Discussion regarding setting dates for annual Village Board retreat.

Village Administrator Schuenke provided an overview of the process for the annual Village Board retreat.

The Village Board set the date for the annual retreat to be June 29th and 30th.

i. Authority, Board, Commission, and Committee agenda item requests, referrals, and updates.

Trustee Eric Kryzenske referred the outdoor consumption ordinance related to residential dwelling distances to the Public Safety Committee.

Trustee Carolyn Clow referred a resolution to join the green tier legacy program, and a standing sustainability committee, to the agenda. Both items will be brought back to the next Village Board meeting for discussion.

Trustee Carolyn Clow referred discussion of a community center and requested direction for the Senior Outreach Committee to proceed with their work.

Trustee Carolyn Clow referred to the Board providing direction to the Parks, Recreation, and Natural Resources Committee on what is feasible in the budget for the aquatics study to direct future work.

7. ADJOURNMENT.

Motion by Village Trustee Justin Rupert, second by Village Trustee Michael Flaherty, to adjourn at 9:38 p.m.

Pursuant to law, written notice of this meeting was given to the public and posted on the public bulletin boards in accordance with Open Meetings Law.

Respectfully submitted,
Cassandra Suettinger
Clerk/Treasurer

Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Payee ID	Amount
05/23/2020	CDPT	05/29/2020	77039	WI AFSCME COUNCIL 32	7	59.25
05/23/2020	CDPT	05/29/2020	77040	WI SCTF	5	207.69

PAYROLL RELATED

\$266.94

Report Criteria:

Report type: GL detail

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice Number	Invoice Sequence	Invoice GL Account	Check Amount
06/20	06/01/2020	77041	759	POSTMASTER	UTILITY BILLS - ADD TO ACCT	060120	1	600-53710-311-000	666.67
06/20	06/01/2020	77041	759	POSTMASTER	UTILITY BILLS - ADD TO ACCT	060120	2	600-53610-311-000	666.67
06/20	06/01/2020	77041	759	POSTMASTER	UTILITY BILLS - ADD TO ACCT	060120	3	605-53440-311-000	666.66
Total 77041:									2,000.00
06/20	06/05/2020	77042	1730	ACCURATE APPRAISAL LLC	ASSESSMENT SVCS.	3080	1	100-51530-210-000	6,000.00
Total 77042:									6,000.00
06/20	06/05/2020	77043	17084	AMAZON CAPITAL SERVICES	VB SURFACE TAGS	1913-GPM7-	1	200-55600-390-000	11.99
06/20	06/05/2020	77043	17084	AMAZON CAPITAL SERVICES	PARKS SUPPLIES	1K1K-NPXQ-	1	100-55200-340-000	22.59
Total 77043:									34.58
06/20	06/05/2020	77044	2250	ANNEN, STEVE	BOARD OF REVIEW AND TRAINING	052820	1	100-51530-210-000	80.00
Total 77044:									80.00
06/20	06/05/2020	77045	17187	B&H PHOTO	TECHNICAL SPECIALIST COMPUTER	172435522	1	400-57150-811-101	974.11
Total 77045:									974.11
06/20	06/05/2020	77046	1019	BAKER TILLY VIRCHOW KRAUS	VILLAGE AUDIT/AUDIT ASSISTANCE	BT1627844	1	100-51420-211-000	2,718.30
06/20	06/05/2020	77046	1019	BAKER TILLY VIRCHOW KRAUS	VILLAGE AUDIT/AUDIT ASSISTANCE	BT1627844	2	610-53620-211-000	69.70
06/20	06/05/2020	77046	1019	BAKER TILLY VIRCHOW KRAUS	UTILITY AUDIT - SEWER	BT1629939	1	600-53710-211-000	1,320.00
06/20	06/05/2020	77046	1019	BAKER TILLY VIRCHOW KRAUS	UTILITY AUDIT - WATER	BT1629939	2	600-53610-211-000	1,320.00
06/20	06/05/2020	77046	1019	BAKER TILLY VIRCHOW KRAUS	UTILITY AUDIT SW	BT1629939	3	605-53440-211-000	660.00
Total 77046:									6,088.00
06/20	06/05/2020	77047	16285	BATTERIES & BULBS	SHOP SUPPLIES	P26922393	1	605-53440-340-000	11.69
06/20	06/05/2020	77047	16285	BATTERIES & BULBS	SHOP SUPPLIES	P26922393	2	600-53616-340-000	11.69
06/20	06/05/2020	77047	16285	BATTERIES & BULBS	SHOP SUPPLIES	P26922393	3	600-53716-340-000	11.69
06/20	06/05/2020	77047	16285	BATTERIES & BULBS	SHOP SUPPLIES	P26922393	4	100-53000-340-000	42.87

M = Manual Check, V = Void Check

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice Number	Invoice Sequence	Invoice GL Account	Check Amount
Total 77047:									77.94
06/20	06/05/2020	77048	1256	BOUND TREE MEDICAL, LLC	EMS - SUPPLIES	83597326	1	100-52200-340-000	104.56
06/20	06/05/2020	77048	1256	BOUND TREE MEDICAL, LLC	EMS - SUPPLIES	83635762	1	100-52200-340-000	75.60
Total 77048:									180.16
06/20	06/05/2020	77049	17138	BRANDFOLDER, INC.	BRANDFOLDER	12194	1	200-55600-210-000	2,500.00
Total 77049:									2,500.00
06/20	06/05/2020	77050	16680	CARDMEMBER SERVICE	SCHUENKE	MSB051920	1	100-1624	226.57
06/20	06/05/2020	77050	16680	CARDMEMBER SERVICE	DENNIS	MSB051920	2	100-1624	946.08
06/20	06/05/2020	77050	16680	CARDMEMBER SERVICE	COX	MSB051920	3	100-1624	1,128.53
06/20	06/05/2020	77050	16680	CARDMEMBER SERVICE	KENT	MSB051920	4	100-1624	98.07
06/20	06/05/2020	77050	16680	CARDMEMBER SERVICE	HESSLING	MSB051920	5	100-1624	3,271.53
06/20	06/05/2020	77050	16680	CARDMEMBER SERVICE	ANDERSEN	MSB051920	6	100-1624	351.64
06/20	06/05/2020	77050	16680	CARDMEMBER SERVICE	JOB	MSB051920	7	100-1624	155.99
06/20	06/05/2020	77050	16680	CARDMEMBER SERVICE	REIMER	MSB051920	8	100-1624	136.99
06/20	06/05/2020	77050	16680	CARDMEMBER SERVICE	SUETTINGER	MSB051920	9	100-1624	133.35-
06/20	06/05/2020	77050	16680	CARDMEMBER SERVICE	MAURER	MSB051920	10	100-1624	37.17
06/20	06/05/2020	77050	16680	CARDMEMBER SERVICE	SHERVEN	MSB051920	11	100-1624	432.13
06/20	06/05/2020	77050	16680	CARDMEMBER SERVICE	IRWIN	MSB051920	12	100-1624	121.86-
06/20	06/05/2020	77050	16680	CARDMEMBER SERVICE	J REITER	MSB051920	13	100-1624	165.65
06/20	06/05/2020	77050	16680	CARDMEMBER SERVICE	MILLER	MSB051920	14	100-1624	732.65
06/20	06/05/2020	77050	16680	CARDMEMBER SERVICE	IGL	MSB051920	15	100-1624	233.86
Total 77050:									7,661.65
06/20	06/05/2020	77051	1909	CATERPILLAR FINANCIAL SERV	LOADER LEASE	20949145	1	400-57310-811-102	796.50
06/20	06/05/2020	77051	1909	CATERPILLAR FINANCIAL SERV	LOADER LEASE	20949145	2	600-53612-390-000	265.50
06/20	06/05/2020	77051	1909	CATERPILLAR FINANCIAL SERV	LOADER LEASE	20949145	3	600-53712-390-000	265.50
06/20	06/05/2020	77051	1909	CATERPILLAR FINANCIAL SERV	LOADER LEASE	20949145	4	605-53440-240-000	265.50
Total 77051:									1,593.00
06/20	06/05/2020	77052	150	CDW GOVERNMENT INC	MISC TABLET SUPPLIES	XVL0134	1	100-53000-340-000	20.52
06/20	06/05/2020	77052	150	CDW GOVERNMENT INC	MISC TABLET SUPPLIES	XVL0134	2	600-53716-340-000	5.60

M = Manual Check, V = Void Check

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice Number	Invoice Sequence	Invoice GL Account	Check Amount
06/20	06/05/2020	77052	150	CDW GOVERNMENT INC	MISC TABLET SUPPLIES	XVL0134	3	600-53616-340-000	5.60
06/20	06/05/2020	77052	150	CDW GOVERNMENT INC	MISC TABLET SUPPLIES	XVL0134	4	605-53440-340-000	5.60
Total 77052:									37.32
06/20	06/05/2020	77053	16535	CHIN, DAN	BOR PER DIEM	052820	1	100-51530-210-000	40.00
Total 77053:									40.00
06/20	06/05/2020	77054	194	CONCENTRA	RANDOM DRUG / ALCOHOL TEST	103180159	1	100-53000-211-000	47.50
Total 77054:									47.50
06/20	06/05/2020	77055	1989	CORPORATE BUSINESS SYSTE	ADMIN COPIERS	27171529	1	100-51420-240-000	190.54
Total 77055:									190.54
06/20	06/05/2020	77056	234	DANE CO EMERGENCY MGMT	PROTOCOL BOOKS	10100	1	100-52200-340-000	52.30
Total 77056:									52.30
06/20	06/05/2020	77057	16378	DANE COUNTY REGISTER OF	RECORDING FEE	060120	1	100-51420-310-000	30.00
Total 77057:									30.00
06/20	06/05/2020	77058	16545	DEPT OF SAFETY AND PROFES	FIRE ALARM PLAN REVIEW	053120	1	100-44300-106	80.00
06/20	06/05/2020	77058	16545	DEPT OF SAFETY AND PROFES	FIRE SPRINKLER PLAN REVIEW	053120	2	100-44300-105	80.00
Total 77058:									160.00
06/20	06/05/2020	77059	341	ENVIRONMENT CONTROL	MC CLEANING	14282-613	1	100-51600-210-000	3,699.00
Total 77059:									3,699.00
06/20	06/05/2020	77060	2279	FRIENDS OF THE WAUBESA SA	PIER INSTALLATION	WSC-20001	1	100-55200-340-000	650.00
Total 77060:									650.00
06/20	06/05/2020	77061	16234	GALLS, LLC	UNIFORM	015426780	1	100-52200-142-000	51.11

M = Manual Check, V = Void Check

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice Number	Invoice Sequence	Invoice GL Account	Check Amount
Total 77061:									51.11
06/20	06/05/2020	77062	395	GENERAL COMMUNICATIONS I	SQUAD DECOMMISSIONING	282713	1	100-52100-241-000	300.00
06/20	06/05/2020	77062	395	GENERAL COMMUNICATIONS I	NEW M3 2020 OUTFITTING	282821	1	400-57210-812-105	7,540.00
06/20	06/05/2020	77062	395	GENERAL COMMUNICATIONS I	NEW M5 2020 OUTFITTING	282822	1	400-57210-812-105	6,480.00
06/20	06/05/2020	77062	395	GENERAL COMMUNICATIONS I	NEW M4 2020 OUTFITTING	282823	1	400-57210-812-105	11,043.50
Total 77062:									25,363.50
06/20	06/05/2020	77063	1323	HARKER HEATING & COOLING	HVAC REPAIR	1009875	1	205-55110-242-000	2,143.00
Total 77063:									2,143.00
06/20	06/05/2020	77064	1694	HEARTLAND LITHO	UTILITY BILLS	65584	1	600-53611-311-000	67.18
06/20	06/05/2020	77064	1694	HEARTLAND LITHO	UTILITY BILLS	65584	2	600-53711-311-000	67.18
06/20	06/05/2020	77064	1694	HEARTLAND LITHO	UTILITY BILLS	65584	3	605-53440-311-000	67.19
Total 77064:									201.55
06/20	06/05/2020	77065	452	HYDRITE CHEMICAL	WATER CHEMICALS	02363260	1	600-53717-340-000	253.50
06/20	06/05/2020	77065	452	HYDRITE CHEMICAL	WATER CHEMICALS	02363261	1	600-53717-340-000	253.50
Total 77065:									507.00
06/20	06/05/2020	77066	17343	JACKSON MNAUFACTURERS C	BOOK CART	M16592	1	205-55110-242-000	1,983.10
Total 77066:									1,983.10
06/20	06/05/2020	77067	2070	KKS PROPERTY	COMMON AREA MAINT. FORMER LIB	2020-06	1	100-51600-242-000	400.00
Total 77067:									400.00
06/20	06/05/2020	77068	16712	LIFE-ASSIST, INC	EMS MEDICAL SUPPLIES	1003047	1	100-52200-340-000	261.68
Total 77068:									261.68
06/20	06/05/2020	77069	17347	LODHOLZ, KEVIN	BOARD OF REVIEW/TRAINING	052820	1	100-51530-210-000	80.00

M = Manual Check, V = Void Check

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice Number	Invoice Sequence	Invoice GL Account	Check Amount
Total 77069:									80.00
06/20	06/05/2020	77070	575	MADISON MET SEWERAGE DIS	MCFARLAND SCHOOL DISTRICT ESCROW	IN000016177	1	100-2640	43,970.20
06/20	06/05/2020	77070	575	MADISON MET SEWERAGE DIS	MCFARLAND SCHOOL DISTRICT ESCROW	IN000016179	1	100-2640	27,615.68
Total 77070:									71,585.88
06/20	06/05/2020	77071	16585	MALY, KELLY	BOARD OF REVIEW AND TRAINING	052820	1	100-51530-210-000	80.00
Total 77071:									80.00
06/20	06/05/2020	77072	613	MCFARLAND SCHOOL DISTRIC	LOR LEASE PAYMENT	052120	1	100-1624	300.00
06/20	06/05/2020	77072	613	MCFARLAND SCHOOL DISTRIC	UPHOFF LEASE PAYMENT	052120	2	100-1624	1,162.50
Total 77072:									1,462.50
06/20	06/05/2020	77073	640	MGE	STREET LIGHTS	052720-1301	1	100-53000-291-000	28.14
06/20	06/05/2020	77073	640	MGE	STREET LIGHTS	052720-1409	1	100-53000-291-000	32.20
06/20	06/05/2020	77073	640	MGE	LIFT #4 ELECT	052720-2105	1	600-53615-220-000	38.82
06/20	06/05/2020	77073	640	MGE	LIFT #5 GAS	052720-2766	1	600-53615-220-000	27.73
06/20	06/05/2020	77073	640	MGE	STREET LIGHTS	052720-2953	1	100-53000-291-000	94.18
Total 77073:									221.07
06/20	06/05/2020	77074	17346	MIDLAND RENTAL	REFUND OF DUPLICATE FINAL BILL PMT	052820	1	001-1115	21.53
Total 77074:									21.53
06/20	06/05/2020	77075	1941	MIDWEST TRAILER SALES	VEHICLE MAINTENANCE	1101912-00	1	100-53000-241-000	47.25
06/20	06/05/2020	77075	1941	MIDWEST TRAILER SALES	VEHICLE MAINTENANCE	1101912-00	2	600-53718-241-000	12.88
06/20	06/05/2020	77075	1941	MIDWEST TRAILER SALES	VEHICLE MAINTENANCE	1101912-00	3	600-53616-241-000	12.88
06/20	06/05/2020	77075	1941	MIDWEST TRAILER SALES	VEHICLE MAINTENANCE	1101912-00	4	605-53440-241-000	12.89
06/20	06/05/2020	77075	1941	MIDWEST TRAILER SALES	CHIPPER PARTS	1102292-00	1	100-53000-241-000	4.94
06/20	06/05/2020	77075	1941	MIDWEST TRAILER SALES	CHIPPER PARTS	1102292-00	2	600-53718-241-000	1.35
06/20	06/05/2020	77075	1941	MIDWEST TRAILER SALES	CHIPPER PARTS	1102292-00	3	600-53616-241-000	1.35
06/20	06/05/2020	77075	1941	MIDWEST TRAILER SALES	CHIPPER PARTS	1102292-00	4	605-53440-241-000	1.35
06/20	06/05/2020	77075	1941	MIDWEST TRAILER SALES	VEHICLE MAINTENANCE	1102376-00	1	100-53000-241-000	9.84
06/20	06/05/2020	77075	1941	MIDWEST TRAILER SALES	VEHICLE MAINTENANCE	1102376-00	2	600-53718-241-000	2.69

M = Manual Check, V = Void Check

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice Number	Invoice Sequence	Invoice GL Account	Check Amount
06/20	06/05/2020	77075	1941	MIDWEST TRAILER SALES	VEHICLE MAINTENANCE	1102376-00	3	600-53616-241-000	2.69
06/20	06/05/2020	77075	1941	MIDWEST TRAILER SALES	VEHICLE MAINTENANCE	1102376-00	4	605-53440-241-000	2.68
06/20	06/05/2020	77075	1941	MIDWEST TRAILER SALES	TRAILER MAINTENANCE	1103315-00	1	100-53000-241-000	28.88
06/20	06/05/2020	77075	1941	MIDWEST TRAILER SALES	TRAILER MAINTENANCE	1103315-00	2	600-53718-241-000	7.87
06/20	06/05/2020	77075	1941	MIDWEST TRAILER SALES	TRAILER MAINTENANCE	1103315-00	3	600-53616-241-000	7.87
06/20	06/05/2020	77075	1941	MIDWEST TRAILER SALES	TRAILER MAINTENANCE	1103315-00	4	605-53440-241-000	7.87
06/20	06/05/2020	77075	1941	MIDWEST TRAILER SALES	MOWER PARTS	1103708-00	1	605-53440-241-000	2.26
06/20	06/05/2020	77075	1941	MIDWEST TRAILER SALES	MOWER PARTS	1103708-00	2	600-53616-241-000	2.26
06/20	06/05/2020	77075	1941	MIDWEST TRAILER SALES	MOWER PARTS	1103708-00	3	600-53718-241-000	2.26
06/20	06/05/2020	77075	1941	MIDWEST TRAILER SALES	MOWER PARTS	1103708-00	4	100-53000-241-000	8.26
06/20	06/05/2020	77075	1941	MIDWEST TRAILER SALES	MOWER PARTS	1103898-00	1	605-53440-241-000	2.26
06/20	06/05/2020	77075	1941	MIDWEST TRAILER SALES	MOWER PARTS	1103898-00	2	600-53616-241-000	2.26
06/20	06/05/2020	77075	1941	MIDWEST TRAILER SALES	MOWER PARTS	1103898-00	3	600-53718-241-000	2.26
06/20	06/05/2020	77075	1941	MIDWEST TRAILER SALES	MOWER PARTS	1103898-00	4	100-53000-241-000	8.26
Total 77075:									195.36
06/20	06/05/2020	77076	1896	NAPA AUTO PARTS	VEHICLE PARTS	719534	1	605-53440-241-000	.70
06/20	06/05/2020	77076	1896	NAPA AUTO PARTS	VEHICLE PARTS	719534	2	600-53616-241-000	.70
06/20	06/05/2020	77076	1896	NAPA AUTO PARTS	VEHICLE PARTS	719534	3	600-53718-241-000	.70
06/20	06/05/2020	77076	1896	NAPA AUTO PARTS	VEHICLE PARTS	719534	4	100-53000-241-000	2.55
06/20	06/05/2020	77076	1896	NAPA AUTO PARTS	VEHICLE PARTS	719834	1	605-53440-241-000	15.52
06/20	06/05/2020	77076	1896	NAPA AUTO PARTS	VEHICLE PARTS	719834	2	600-53616-241-000	15.52
06/20	06/05/2020	77076	1896	NAPA AUTO PARTS	VEHICLE PARTS	719834	3	600-53718-241-000	15.52
06/20	06/05/2020	77076	1896	NAPA AUTO PARTS	VEHICLE PARTS	719834	4	100-53000-241-000	56.93
06/20	06/05/2020	77076	1896	NAPA AUTO PARTS	VEHICLE PARTS	719835	1	605-53440-241-000	2.27
06/20	06/05/2020	77076	1896	NAPA AUTO PARTS	VEHICLE PARTS	719835	2	600-53616-241-000	2.26
06/20	06/05/2020	77076	1896	NAPA AUTO PARTS	VEHICLE PARTS	719835	3	600-53718-241-000	2.26
06/20	06/05/2020	77076	1896	NAPA AUTO PARTS	VEHICLE PARTS	719835	4	100-53000-241-000	8.31
06/20	06/05/2020	77076	1896	NAPA AUTO PARTS	VEHICLE PARTS	720000	1	100-53000-241-000	17.41
06/20	06/05/2020	77076	1896	NAPA AUTO PARTS	VEHICLE PARTS	720000	2	600-53718-241-000	4.75
06/20	06/05/2020	77076	1896	NAPA AUTO PARTS	VEHICLE PARTS	720000	3	600-53616-241-000	4.75
06/20	06/05/2020	77076	1896	NAPA AUTO PARTS	VEHICLE PARTS	720000	4	605-53440-241-000	4.75
06/20	06/05/2020	77076	1896	NAPA AUTO PARTS	VEHICLE PARTS	720015	1	100-53000-241-000	55.28
06/20	06/05/2020	77076	1896	NAPA AUTO PARTS	VEHICLE PARTS	720015	2	600-53718-241-000	15.07
06/20	06/05/2020	77076	1896	NAPA AUTO PARTS	VEHICLE PARTS	720015	3	600-53616-241-000	15.07
06/20	06/05/2020	77076	1896	NAPA AUTO PARTS	VEHICLE PARTS	720015	4	605-53440-241-000	15.08

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GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice Number	Invoice Sequence	Invoice GL Account	Check Amount
Total 77076:									255.40
06/20	06/05/2020	77077	2082	NASSCO INC	PARK SUPPLIES	S2623755.00	1	100-55200-340-000	372.89
06/20	06/05/2020	77077	2082	NASSCO INC	CLEANING SUPPLIES	S2624589.00	1	100-51600-242-000	74.34
Total 77077:									447.23
06/20	06/05/2020	77078	2066	PELLITTERI WASTE SYSTEMS	RECYCLING SERVICE	1260912	1	610-53620-213-000	14,010.70
06/20	06/05/2020	77078	2066	PELLITTERI WASTE SYSTEMS	TRASH SERVICE	1260912	2	610-53620-212-000	20,827.35
06/20	06/05/2020	77078	2066	PELLITTERI WASTE SYSTEMS	ADMIN SHRED	1260912	3	100-51420-310-000	30.26
06/20	06/05/2020	77078	2066	PELLITTERI WASTE SYSTEMS	PD SHRED	1260912	4	100-52100-340-000	40.35
06/20	06/05/2020	77078	2066	PELLITTERI WASTE SYSTEMS	FIRE/EMS SHRED	1260912	5	100-52200-340-000	10.09
Total 77078:									34,918.75
06/20	06/05/2020	77079	756	POMP'S TIRE SERVICE INC	TIRES	80215044	1	100-53000-241-000	347.96
06/20	06/05/2020	77079	756	POMP'S TIRE SERVICE INC	SQUAD TIRES	80215061	1	100-52100-241-000	347.96
Total 77079:									695.92
06/20	06/05/2020	77080	764	PREMIER PAINT & WALLPAPER	PAINT SUPPLIES	58388	1	100-53000-340-000	2.83
06/20	06/05/2020	77080	764	PREMIER PAINT & WALLPAPER	PAINT SUPPLIES	58388	2	600-53716-340-000	.78
06/20	06/05/2020	77080	764	PREMIER PAINT & WALLPAPER	PAINT SUPPLIES	58388	3	600-53616-340-000	.78
06/20	06/05/2020	77080	764	PREMIER PAINT & WALLPAPER	PAINT SUPPLIES	58388	4	605-53440-340-000	.78
Total 77080:									5.17
06/20	06/05/2020	77081	1245	PROFESSIONAL PEST CONTRO	PARKS PEST CONTROL	463492	1	100-55200-340-000	49.00
Total 77081:									49.00
06/20	06/05/2020	77082	9137	RICOH USA INC	COPIER FEE	33529123	1	100-52100-240-000	184.59
Total 77082:									184.59
06/20	06/05/2020	77083	17341	SCHMITZ DOOR SERVICE LLC	NEW PD GARAGE DOOR OPENER	A15778	1	100-52100-240-000	1,075.00

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GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice Number	Invoice Sequence	Invoice GL Account	Check Amount
Total 77083:									1,075.00
06/20	06/05/2020	77084	17050	SHI INTERNATIONAL CORP	COMPUTER UPGRADES	B11818542	1	400-57120-813-101	119.98
Total 77084:									119.98
06/20	06/05/2020	77085	16857	STRAND ASSOCIATES	DPW FACILITY	0160217	1	400-57140-825-101	32,868.55
Total 77085:									32,868.55
06/20	06/05/2020	77086	2251	STRELOW, CLIFFORD	BOARD OF REVIEW AND TRAINING	052820	1	100-51530-210-000	80.00
Total 77086:									80.00
06/20	06/05/2020	77087	1462	TASC	FSA ADMIN FEE	IN1768008	1	100-51540-514-000	154.80
Total 77087:									154.80
06/20	06/05/2020	77088	16640	TOP PACK DEFENSE LLC	JACOBSEN CLOTHING ALLOWANCE	4214	1	100-52100-142-000	89.85
Total 77088:									89.85
06/20	06/05/2020	77089	958	TOWN & COUNTRY ENGINEER	EAST SIDE SEWER EXTENSION - MC168	21575	1	600-53710-210-000	8,689.20
Total 77089:									8,689.20
06/20	06/05/2020	77090	961	TOWN OF DUNN	TOWNS TRUE UP REFUND	2019FINALT	1	100-47320-101	14,065.69
Total 77090:									14,065.69
06/20	06/05/2020	77091	963	TOWN OF PLEASANT SPRINGS	TOWNS TRUE REFUND	2019FINALT	1	100-47320-101	351.35
Total 77091:									351.35
06/20	06/05/2020	77092	2270	UNITY POINT HEALTH	BLOODWORK	050520	1	100-52100-210-000	37.97
Total 77092:									37.97

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GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice Number	Invoice Sequence	Invoice GL Account	Check Amount
06/20	06/05/2020	77093	17140	US BANK VOYAGER FLEET SYS	PD FUEL	8694160990	1	100-52100-341-000	1,067.55
06/20	06/05/2020	77093	17140	US BANK VOYAGER FLEET SYS	PW FUEL	8694160990	2	600-53615-341-000	32.63
06/20	06/05/2020	77093	17140	US BANK VOYAGER FLEET SYS	PW FUEL	8694160990	3	600-53710-341-000	65.25
06/20	06/05/2020	77093	17140	US BANK VOYAGER FLEET SYS	PW FUEL	8694160990	4	600-53616-341-000	65.25
06/20	06/05/2020	77093	17140	US BANK VOYAGER FLEET SYS	PW FUEL	8694160990	5	600-53718-341-000	32.63
06/20	06/05/2020	77093	17140	US BANK VOYAGER FLEET SYS	PW FUEL	8694160990	6	605-53440-341-000	97.87
06/20	06/05/2020	77093	17140	US BANK VOYAGER FLEET SYS	PW FUEL	8694160990	7	100-53000-341-000	358.89
06/20	06/05/2020	77093	17140	US BANK VOYAGER FLEET SYS	PARKS FUEL	8694160990	8	100-55200-341-000	225.40
06/20	06/05/2020	77093	17140	US BANK VOYAGER FLEET SYS	FIRE/EMS FUEL	8694160990	9	100-52200-341-000	743.76
Total 77093:									2,689.23
06/20	06/05/2020	77094	992	US CELLULAR	PD PHONE	0375333540	1	100-52100-221-000	817.13
06/20	06/05/2020	77094	992	US CELLULAR	FD/EMS PHONE	0375333540	2	100-52200-221-000	439.48
06/20	06/05/2020	77094	992	US CELLULAR	OUTREACH PHONE	0375333540	3	100-54600-221-000	38.50
06/20	06/05/2020	77094	992	US CELLULAR	CABLE/COMMTECH PHONE	0375333540	4	200-55600-221-000	45.49
06/20	06/05/2020	77094	992	US CELLULAR	PW PHONE	0375333540	5	100-53000-221-000	483.49
06/20	06/05/2020	77094	992	US CELLULAR	WATER PHONE	0375333540	6	600-53710-310-000	483.50
06/20	06/05/2020	77094	992	US CELLULAR	SEWER PHONE	0375333540	7	600-53610-310-000	483.50
06/20	06/05/2020	77094	992	US CELLULAR	INSPECTIONS PHONE	0375333540	8	100-52400-221-000	.50
06/20	06/05/2020	77094	992	US CELLULAR	EM MGT PHONE	0375333540	9	100-52500-340-000	38.50
Total 77094:									2,830.09
06/20	06/05/2020	77095	16568	VANDEWALLE & ASSOCIATES	LARSON PARK PLANNING	202005071	1	400-57620-211-000	147.50
Total 77095:									147.50
06/20	06/05/2020	77096	1015	VILLAGE OF MCFARLAND	VOM - 5541 HOLSCHER	053120	1	100-53000-220-000	57.21
06/20	06/05/2020	77096	1015	VILLAGE OF MCFARLAND	FLOWER CORNER	053120	2	100-55200-220-000	29.16
06/20	06/05/2020	77096	1015	VILLAGE OF MCFARLAND	LEWIS PARK	053120	3	100-55200-220-000	161.11
06/20	06/05/2020	77096	1015	VILLAGE OF MCFARLAND	MCDANIEL PARK	053120	4	100-55200-220-000	141.74
06/20	06/05/2020	77096	1015	VILLAGE OF MCFARLAND	GAZEBO	053120	5	100-55200-220-000	43.99
06/20	06/05/2020	77096	1015	VILLAGE OF MCFARLAND	3234 CTY HWY AB	053120	6	100-55200-220-000	129.02
06/20	06/05/2020	77096	1015	VILLAGE OF MCFARLAND	6623 MEREDITH WAY	053120	7	600-53616-242-000	4.77
Total 77096:									567.00
06/20	06/05/2020	77097	16326	WI DEPT OF AG, TRADE & CON	WEIGHTS AND MEASURES	115-0000017	1	100-51420-211-000	2,800.00

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GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice Number	Invoice Sequence	Invoice GL Account	Check Amount
Total 77097:									2,800.00
06/20	06/05/2020	77098	2230	WI DNR	WATER USE FEES	WU90245	1	600-53710-210-000	125.00
Total 77098:									125.00
06/20	06/05/2020	77099	1065	WI DNR - ENVIRONMENTAL FEE	STW PERMIT FEE	113341470-2	1	605-53440-210-000	1,000.00
Total 77099:									1,000.00
06/20	06/05/2020	77100	30	ALLIANT ENERGY/WP&L	PW FACILITY	052820	1	100-53000-220-000	491.69
06/20	06/05/2020	77100	30	ALLIANT ENERGY/WP&L	WATER TOWER - HOLSCHER	052820	2	600-53716-220-000	16.70
06/20	06/05/2020	77100	30	ALLIANT ENERGY/WP&L	WATER TOWER - BURMA	052820	3	600-53716-220-000	57.73
06/20	06/05/2020	77100	30	ALLIANT ENERGY/WP&L	WELL #1	052820	4	600-53716-220-000	592.28
06/20	06/05/2020	77100	30	ALLIANT ENERGY/WP&L	WELL #3	052820	5	600-53716-220-000	1,628.00
06/20	06/05/2020	77100	30	ALLIANT ENERGY/WP&L	WELL #1	052820	6	600-53716-340-000	18.33
06/20	06/05/2020	77100	30	ALLIANT ENERGY/WP&L	WELL #3	052820	7	600-53716-340-000	13.69
06/20	06/05/2020	77100	30	ALLIANT ENERGY/WP&L	WELL #4	052820	8	600-53716-340-000	13.69
06/20	06/05/2020	77100	30	ALLIANT ENERGY/WP&L	LIFT #1	052820	9	600-53615-220-000	100.33
06/20	06/05/2020	77100	30	ALLIANT ENERGY/WP&L	LIFT #2	052820	10	600-53615-220-000	146.50
06/20	06/05/2020	77100	30	ALLIANT ENERGY/WP&L	LIFT #3	052820	11	600-53615-220-000	59.94
06/20	06/05/2020	77100	30	ALLIANT ENERGY/WP&L	LIFT #5	052820	12	600-53615-220-000	173.63
06/20	06/05/2020	77100	30	ALLIANT ENERGY/WP&L	BRANDT PARK	052820	13	100-55200-220-000	29.91
06/20	06/05/2020	77100	30	ALLIANT ENERGY/WP&L	LEWIS PARK	052820	14	100-55200-220-000	85.01
06/20	06/05/2020	77100	30	ALLIANT ENERGY/WP&L	FLOWER CORNER	052820	15	100-55200-220-000	22.21
06/20	06/05/2020	77100	30	ALLIANT ENERGY/WP&L	GAZEBO	052820	16	100-55200-220-000	25.77
06/20	06/05/2020	77100	30	ALLIANT ENERGY/WP&L	MCDANIEL PARK	052820	17	100-55200-220-000	17.98
06/20	06/05/2020	77100	30	ALLIANT ENERGY/WP&L	CEDAR GLADE AERATOR	052820	18	605-53440-242-000	14.22
06/20	06/05/2020	77100	30	ALLIANT ENERGY/WP&L	STREET LIGHTING (1)	052820	19	100-53000-291-000	9,083.11
06/20	06/05/2020	77100	30	ALLIANT ENERGY/WP&L	STREET LIGHTING (2)	052820	20	100-53000-291-000	235.57
06/20	06/05/2020	77100	30	ALLIANT ENERGY/WP&L	TRAFFIC FLASHERS - CREAMERY	052820	21	100-53000-291-000	16.46
06/20	06/05/2020	77100	30	ALLIANT ENERGY/WP&L	TRAFFIC FLASHERS - BASHFORD	052820	22	100-53000-291-000	16.35
06/20	06/05/2020	77100	30	ALLIANT ENERGY/WP&L	TRAFFIC FLASHERS - FARWELL 1	052820	23	100-53000-291-000	16.46
06/20	06/05/2020	77100	30	ALLIANT ENERGY/WP&L	TRAFFIC FLASHERS - FARWELL 2	052820	24	100-53000-291-000	16.12
06/20	06/05/2020	77100	30	ALLIANT ENERGY/WP&L	SIRENS	052820	25	100-51600-220-000	26.94
Total 77100:									12,918.62

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GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice Number	Invoice Sequence	Invoice GL Account	Check Amount
06/20	06/05/2020	77101	17084	AMAZON CAPITAL SERVICES	PARKS SUPPLIES	1TQJ-3GNX-	1	100-55200-340-000	159.96
Total 77101:									159.96
06/20	06/05/2020	77102	17232	APG OF SOUTHERN WISCONSI	OUTLOOK	24777-0520	1	100-51100-210-000	142.50
06/20	06/05/2020	77102	17232	APG OF SOUTHERN WISCONSI	OUTLOOK	24777-0520	2	600-53610-321-000	14.25
06/20	06/05/2020	77102	17232	APG OF SOUTHERN WISCONSI	OUTLOOK	24777-0520	3	600-53710-321-000	14.25
06/20	06/05/2020	77102	17232	APG OF SOUTHERN WISCONSI	OUTLOOK	24777-0520	4	605-53440-321-000	57.00
06/20	06/05/2020	77102	17232	APG OF SOUTHERN WISCONSI	OUTLOOK	24777-0520	5	610-53620-321-000	57.00
Total 77102:									285.00
06/20	06/05/2020	77103	640	MGE	GOBEN BUILDING	052720-3020	1	305-56700-242-000	64.47
Total 77103:									64.47
06/20	06/05/2020	77104	9151	PAGE PRODUCTION	SENIOR NEWS	20-7	1	100-54600-321-000	425.00
Total 77104:									425.00
06/20	06/05/2020	77105	958	TOWN & COUNTRY ENGINEER	PHASE 4 CTH MN- MC174	21579	1	400-57310-211-000	10,755.65
Total 77105:									10,755.65
Grand Totals:									265,509.35

Summary by General Ledger Account Number

GL Account	Debit	Credit	Proof
001-1115	21.53	.00	21.53
001-2120	.00	21.53-	21.53-
100-1624	9,379.36	255.21-	9,124.15
100-2120	255.21	132,175.64-	131,920.43-
100-2640	71,585.88	.00	71,585.88
100-44300-105	80.00	.00	80.00
100-44300-106	80.00	.00	80.00

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GL Account	Debit	Credit	Proof
100-47320-101	14,417.04	.00	14,417.04
100-51100-210-000	142.50	.00	142.50
100-51420-211-000	5,518.30	.00	5,518.30
100-51420-240-000	190.54	.00	190.54
100-51420-310-000	60.26	.00	60.26
100-51530-210-000	6,360.00	.00	6,360.00
100-51540-514-000	154.80	.00	154.80
100-51600-210-000	3,699.00	.00	3,699.00
100-51600-220-000	26.94	.00	26.94
100-51600-242-000	474.34	.00	474.34
100-52100-142-000	89.85	.00	89.85
100-52100-210-000	37.97	.00	37.97
100-52100-221-000	817.13	.00	817.13
100-52100-240-000	1,259.59	.00	1,259.59
100-52100-241-000	647.96	.00	647.96
100-52100-340-000	40.35	.00	40.35
100-52100-341-000	1,067.55	.00	1,067.55
100-52200-142-000	51.11	.00	51.11
100-52200-221-000	439.48	.00	439.48
100-52200-340-000	504.23	.00	504.23
100-52200-341-000	743.76	.00	743.76
100-52400-221-000	.50	.00	.50
100-52500-340-000	38.50	.00	38.50
100-53000-211-000	47.50	.00	47.50
100-53000-220-000	548.90	.00	548.90
100-53000-221-000	483.49	.00	483.49
100-53000-241-000	595.87	.00	595.87
100-53000-291-000	9,538.59	.00	9,538.59
100-53000-340-000	66.22	.00	66.22
100-53000-341-000	358.89	.00	358.89
100-54600-221-000	38.50	.00	38.50
100-54600-321-000	425.00	.00	425.00
100-55200-220-000	685.90	.00	685.90
100-55200-340-000	1,254.44	.00	1,254.44
100-55200-341-000	225.40	.00	225.40
200-2120	.00	2,557.48-	2,557.48-
200-55600-210-000	2,500.00	.00	2,500.00
200-55600-221-000	45.49	.00	45.49
200-55600-390-000	11.99	.00	11.99
205-2120	.00	4,126.10-	4,126.10-

M = Manual Check, V = Void Check

GL Account	Debit	Credit	Proof
205-55110-242-000	4,126.10	.00	4,126.10
305-2120	.00	64.47-	64.47-
305-56700-242-000	64.47	.00	64.47
400-2120	.00	70,725.79-	70,725.79-
400-57120-813-101	119.98	.00	119.98
400-57140-825-101	32,868.55	.00	32,868.55
400-57150-811-101	974.11	.00	974.11
400-57210-812-105	25,063.50	.00	25,063.50
400-57310-211-000	10,755.65	.00	10,755.65
400-57310-811-102	796.50	.00	796.50
400-57620-211-000	147.50	.00	147.50
600-2120	.00	18,214.66-	18,214.66-
600-53610-211-000	1,320.00	.00	1,320.00
600-53610-310-000	483.50	.00	483.50
600-53610-311-000	666.67	.00	666.67
600-53610-321-000	14.25	.00	14.25
600-53611-311-000	67.18	.00	67.18
600-53612-390-000	265.50	.00	265.50
600-53615-220-000	546.95	.00	546.95
600-53615-341-000	32.63	.00	32.63
600-53616-241-000	67.61	.00	67.61
600-53616-242-000	4.77	.00	4.77
600-53616-340-000	18.07	.00	18.07
600-53616-341-000	65.25	.00	65.25
600-53710-210-000	8,814.20	.00	8,814.20
600-53710-211-000	1,320.00	.00	1,320.00
600-53710-310-000	483.50	.00	483.50
600-53710-311-000	666.67	.00	666.67
600-53710-321-000	14.25	.00	14.25
600-53710-341-000	65.25	.00	65.25
600-53711-311-000	67.18	.00	67.18
600-53712-390-000	265.50	.00	265.50
600-53716-220-000	2,294.71	.00	2,294.71
600-53716-340-000	63.78	.00	63.78
600-53717-340-000	507.00	.00	507.00
600-53718-241-000	67.61	.00	67.61
600-53718-341-000	32.63	.00	32.63
605-2120	.00	2,914.14-	2,914.14-
605-53440-210-000	1,000.00	.00	1,000.00
605-53440-211-000	660.00	.00	660.00

M = Manual Check, V = Void Check

GL Account	Debit	Credit	Proof
605-53440-240-000	265.50	.00	265.50
605-53440-241-000	67.63	.00	67.63
605-53440-242-000	14.22	.00	14.22
605-53440-311-000	733.85	.00	733.85
605-53440-321-000	57.00	.00	57.00
605-53440-340-000	18.07	.00	18.07
605-53440-341-000	97.87	.00	97.87
610-2120	.00	34,964.75-	34,964.75-
610-53620-211-000	69.70	.00	69.70
610-53620-212-000	20,827.35	.00	20,827.35
610-53620-213-000	14,010.70	.00	14,010.70
610-53620-321-000	57.00	.00	57.00
Grand Totals:	<u>266,019.77</u>	<u>266,019.77-</u>	<u>.00</u>

Report Criteria:

Report type: GL detail



VILLAGE BOARD SUMMARY SHEET

MEETING DATE: Monday, June 8, 2020

SECTION: Consent Agenda

DEPARTMENT: Administration

CONTACT: Cassandra Suettinger, Village Clerk/Treasurer

AGENDA ITEM: Motion to approve the amended event permit application for the Karben4 Taproom to add additional dates of June 23rd, July 28th, August 25th and September 22nd.

PREVIOUS ACTION:

ISSUE SUMMARY:

Karben4 would like to amend their event permit to include four additional dates for the year.

FINANCIAL/BUDGET IMPACT:

Permit Revenues

VILLAGE PLAN REFERENCE:

N/A

ORDINANCE REFERENCE:

Chapter 23 of the Village Code of Ordinances regarding Events that require a permit.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

Village Staff recommends approval of the amended event permit contingent upon the conditions outlined by Chief Sherven and Chief Dennis and final approval by the Madison Curling Club.

ATTACHMENTS:

1. Pop Up Market - Karben 4 - Event Permit - 05.07.2020
2. 06.08.2020 Fire & Recess Drive-Thru Taproom
3. Police Chief - Karben 4 Pop Up Market - 06.05.2020
4. Karben4 Pop up June 2020 letter approval



Event Permit

Pursuant to Village Ordinance Chapter 11

For parades, run/walks, car shows, community events, and special events in which 200 or more attendees are anticipated at one time or that is likely to have a significant impact on neighborhood parking or the free-flow of traffic (only pertains to events that are open to the public).

☐ - Application Fee - \$100 (due with application)

Public Property vs. Private Property		Notes/Instructions
1. Will any portion of this event take place on public property? ☒ - Yes ☐ - No	If yes, please complete entire application. If no, please complete question 1a.	
1a. If no, will the event involve the sale of alcohol? ☒ - Yes ☐ - No	If yes, please complete the entire application. If no, please contact Village Administration to determine if you need to complete the application	

Applicant Information	
Name(First, M.I., Last) of Primary Contact: Meena DeFilippis	Phone: (952) 412-8985
Address: 3698 Kinsman Blvd. Madison, WI 53704	
Email Address: meena@karben4.com	

Agency/Organization Information – (If applicable)	
Name: Karben4 Brewing, LLC	Phone: (608) 241-4811
Address: 3698 Kinsman Blvd. Madison, WI 53704	
Email Address: meena@karben4.com	

Event Information	
Name of Event: Drive-Thru Taproom - McFarland	Type of Event Taproom Pop-up with Market
Location of Event: Madison Curling Club Parking Lot	
Event Date(s): 5/19/20, 6/23/20, 7/28/20, 08/25/20 & 09/22/20	Event Time(s): 3-6pm
Total number of anticipated attendees: 300 total cars through the duration of the event	Total Number of attendees anticipated being at the event at one time: 50
Set up Start Time: 1:30pm	Tear Down End Time: 7:30pm

Event Questionnaire		Notes/Instructions
1. Is this event proposed to take place on a Village street? ☐ - Yes ☒ - No		If yes, please attach map of route including all intersections and road closures.
2. Will the event involve closure of a Village Street(s)? ☐ - Yes ☒ - No		
3. Does this event include a parade which will take place on any portion of a Village street? ☐ - Yes ☒ - No		If yes, please attach map of route. *only allowed for community organizations
4. Is this event predicted to have 200 attendees at one time? ☐ - Yes ☒ - No		This only pertains to events open to the public, not private parties.
5. Will there be outdoor amplified sound? ☐ - Yes ☒ - No		
6. Will the event generate amplified sound after 10 p.m.? ☐ - Yes, a variance is requested as part of this application ☒ - No		All events generating noise after 10 p.m. require a variance from the Village Board.
7. Will alcohol be consumed? ☐ - Yes ☒ - No		
	7a. If yes, will minors be present where alcohol is served? ☐ - Yes, a variance is requested as part of this application ☐ - No	All events that allow for the presence of minors where alcohol is served require a variance from the Village Board.
	7b. Will alcohol be sold? ☐ - Yes ☐ - No	If yes, a temporary alcohol license is required. Please contact the Clerk at 608-838-3153. Form may also be accessed at: Mcfarland.wi.us/licensespermits
8. Will a Village Park be used? ☐ - Yes ☒ - No Please identify the park: _____		Reservations should be made at: Mcfarland.wi.us/parks_reserve
9. Will the event involve tents, or any other activities that will require digging or turf disturbance? ☒ - Yes ☐ - No		*You are required to contact digger's hotline no less than 5 days prior to the event to provide a locate.
10. Has this event been previously approved in prior years by the Village? ☐ - Yes ☒ - No		If yes, when: _____ (month/year)
	10a. If yes, have any of the event details changed from the prior years? ☐ - Yes ☐ - No	If yes, describe changes(attach additional sheets if necessary):
11. Will the event include any mobile food carts? ☐ - Yes ☒ - No		If yes, a Mobile Food Establishment Permit is required for each cart. Please contact the Clerk at 608-838-3153. Form may also be accessed at: Mcfarland.wi.us/licensespermits
12. Will the event include any vendors? ☒ - Yes ☐ - No		If yes, a Direct Seller Permit may be required for each vendor. Municipal Staff will contact you to obtain more information.

Required Attachments

- ☒ - Detailed event schedule
- ☒ - Site Plan Requirement – a site plan must be attached that identifies the event layout for the event including stages, tents, equipment, fencing, alcohol sale and carding areas, etc.
- ☐ - (if applicable) If the event will take place on a Village street, include a map of all routes or activities.
- ☒ - Insurance - The applicant shall furnish a certificate to the Village demonstrating that applicant has in force and will maintain during the time the Event Permit is in effect public liability insurance of not less than \$1,000,000 per one person, \$2,000,000 per occurrence for personal injury and \$1,000,000 for property damage naming the Village as an additional insured.

Event Details and Security Plan

As part of the application process, you will be required to meet with the McFarland Police Department to discuss details of your event and security requirements. Please provide some dates/times you would be available for a meeting:

Monday-Friday before 10am

Event Coordinators

Village requires each event to identify event coordinators who shall serve as direct contacts for the event. These should be individuals that are not directly participating in the event activities, but rather specifically assigned to monitor and assist in coordinating the activities of the event.

Identify Event coordinators (identify 1 for every 50 expected attendees) – attach additional sheets if necessary.

Name	Location at Event (Ex: Race Start, supply tent)	Time On-site (ex: 10 a.m. to 2 p.m.)	Cell Phone
Meena DeFilippis	Payment Area	1:30pm	(952) 412-8985

Indemnification Agreement

In consideration for the issuance of the Event Permit, the undersigned, both individually and the agency or organization applying for the Event Permit, shall indemnify, defend and hold harmless the Village of McFarland and its officers, officials, agents, and employees against all loss or expense (including liability costs and reasonable attorney's fees) by reason of any claim or suit, or of liability imposed by law upon the Village or its officers, officials, agents or employees, for damages because of injury, including death at any time resulting therefrom, sustained by any person or persons, or on account of damages to property, including loss of use thereof, arising from, in connection with, caused by or resulting from the Event. The undersigned represents that he or she has authority to enter into this agreement on behalf of the agency or organization applying for this permit.

Applicant Signature:

Date: 05/07/20

Certification Section	
PLEASE READ CAREFULLY BEFORE SIGNING	
I understand the application and event requirements and agree to the following:	
☒ - I agree to adhere to all applicable, federal, state and municipal laws and understand the violation of such laws will be subject to applicable fines and penalties, and failure to do so is ground for revocation of the event permit.	
☒ - I understand that my event permit may be revoked at any time, if the Chief of Police, Fire/EMS Chief, Public Works Director, or designee, in their sole discretion, determine that health or general welfare to the public is endangered.	
☒ - I agree to return the site to the condition that existed before the event within twenty-four (24) hours or the expiration of my parks reservation.	
☒ - I agree to abide by all including any additional conditions imposed by the Village, and understand failure to adhere to conditions will result in revocation of the event permit.	
Applicant Signature:	Date: 05/07/20

FOR VILLAGE USE ONLY	
☐ - Approved ☐ - Denied Police Chief: _____	Date: _____
Application Received: _____	45-day application requirement met?: ☐ - Yes ☐ - No
Public Safety Committee Date: _____	☐ - Approved ☐ - Denied ☐ - Not applicable
Village Board Meeting Date: _____	☐ - Approved ☐ - Denied

Detailed Security Plan Requirements – Appendix A

**Police Department to provide criteria regarding security plan requirements. This would include number of event coordinators required per number of attendees, security requirements when alcohol is served, etc.

Detailed Emergency Management Expectations and Requirements – Appendix B

- Actions to be taken in the event of a fire, hazardous condition, or similar emergency requiring building or tent evacuation.
 - Have an individual call 911, not all facilities that have a fire alarm notify the 911 center. The 911 operator will have several questions but know the Fire & Rescue Department will be notified while questions are being obtained.
 - If amplified music is playing, have the music stop and if possible calmly announce the need to evacuate to the nearest exit.
 - Individuals will need to be designated in assisting in evacuating individuals to the nearest exit. Keep in mind most individuals will attempt to exit the same way they accessed the area. The exit will most likely not be able to handle the number of individuals exiting and have people near the exits to allow them to exit quickly while ushering individuals to the exit.
 - Designate an area of event-goers to an assembly area that is away from the building, fire department vehicle access. We want to allow access for fire trucks and firefighters to address the situation.
 - In the event, an individual is unwilling to exit do not put individuals at risk in attempting to remove the individual. Notify the initial arriving first responders.
- Actions to be taken in the event of a medical emergency.
 - Call 911 to report the incident. The 911 operator will have several questions but know the Fire & Rescue Department will be notified while questions are being obtained.
 - Identify individuals that can assist in getting responders from the entrance of the area to the individual that is in need of medical care. Note more than one vehicle will often respond and maybe several depending on the situation. Having adequate staff to remain in locations to direct additional vehicles responding is preferred.



McFarland Fire & Rescue Department

5915 Milwaukee Street • PO Box 110 • McFarland, WI 53558-0110

(608) 838-3278 • Fax: (608) 838-3619

Emergency: 911

June 5, 2020

Re: Event Permit Review – Drive-Thru Taproom McFarland – Additional Dates

We have reviewed the request to have additional dates for the event submitted by Meena DeFilippis, Karben4 Brewing, LLC. for the Drive-Thru Taproom McFarland Event to occur on June 23, July 28, August 25, and September 22, 2020 located at Madison Curling Club in the Village.

I recommend approval of the permit for the additional dates with the following conditions being required:

The organizers will maintain a 12' lane for emergency vehicles to gain access to the curling club. In the event of a fire, the organizers need to assist in removing cars from the access lanes. In particular, the area between the curling club and the fire hydrant

Sincerely,

Christopher C. Dennis, Chief
Fire & Rescue Department
Village of McFarland



Village of McFarland Police Department

5915 Milwaukee St. • P.O. Box 110 • McFarland, WI 53558 • 608/838-3151 • Fax 608/838-7954

Craig J. Sherven • Chief of Police

DATE: June 5, 2020

TO: Public Safety Committee/Village Board of McFarland/Karben4 Event Organizers

FROM: Craig J. Sherven, Chief of Police

REFERENCE: Karben4 Pop-up Drive Through Market

On this date I reviewed the Special Event Permit application submitted by Karben4 regarding a Pop-up Drive Through Market Event scheduled for June 23rd, July 28th, August 25th and September 22nd from 2:00 pm – 7:00 pm at the located at the Madison Curling Club, located at 4802 Marsh Rd. in McFarland.

I am recommending approval of the application, with the understanding that the following requirements be adhered to by event organizers:

- Organizers shall have sufficient staff in attendance to handle customers, traffic flow and to closely monitor sales and the transfer of good, ESPECIALLY ALCOHOLIC BEVERAGES. Event Staff shall put an emphasis on the traffic control recommendations provided by the Police Department at the event held in May.
- Staff will wear brightly colored shirts, hats, clothing or other insignia that clearly identifies them as staff.
- Any staff that will be directing traffic or otherwise directly interacting with vehicular traffic shall wear a DOT approved traffic vest.
- Organizers shall dedicate staff to the function of carding/identifying all alcohol purchasers to assure no sales to underage individuals occur.
- Organizers will card/identify anyone who appears under the age of 30. Individuals who are unable to present a valid ID proving their age will not be sold alcohol.
- All alcohol or other items sold will be in compliance with State Statute and Village Ordinance. No “to-go” cups or beverages that are not factory sealed may be sold.
- Organizers will be mindful of the flow of traffic in and out of the event area and any traffic issues it may be causing. Organizers are required to temporarily close until traffic clears in the event that traffic is backing up.
- Law enforcement will be contacted in the event of observed law violations, disturbances, etc. Law enforcement reserves the right to cancel/shut down this event for valid public safety or health concerns.
- Organizers should be aware of current weather conditions and be prepared to quickly disband the event and seek shelter in the event of severe weather.
- Organizers are responsible for ascertaining compliance with social distancing and other requirements of the Governor’s orders, for both themselves, their workers and the patrons.
- Organizers will provide any necessary signage, traffic cones or traffic direction to assure a safe and efficient flow of traffic, both pedestrian and vehicular.

Respectfully,

Craig J. Sherven

Craig J. Sherven

Chief of Police



www.mcfarland.wi.us | 5915 Milwaukee St, McFarland, WI 53558 |
608.838.3153

June 3, 2020

RE: Karben4 Brewing Pop-up Market

The Public Works Department does not have any conditions or issues with the Karben4 Brewing Pop-up Market as presented in the curling club parking lot for the following dates:

- June 23, 2020
- July 28, 2020
- August 25, 2020
- September 22, 2020

I wish them well with their event.

Regards,

A handwritten signature in black ink, appearing to read 'Jim Hessling', is written over a light blue horizontal line.

Jim Hessling
Director of Public Works

h:\karben4 pop up may 2020 letter approval.docx



VILLAGE BOARD SUMMARY SHEET

MEETING DATE: Monday, June 8, 2020

SECTION: Business

DEPARTMENT: Administration

CONTACT: Matt Schuenke, Village Administrator

AGENDA ITEM: Discussion and action regarding Resolution #2020-14: a resolution honoring the life of George Floyd with our actions.

PREVIOUS ACTION:

None.

ISSUE SUMMARY:

Included within your packet is a resolution honoring the life of George Floyd and providing our condolences to what occurred in Minneapolis and places elsewhere. The resolution is symbolic of our role we play in local government to recognize atrocities and as public servants be committed to change.

It is likely too that members of the Community will also be present on Monday night to present their resolution calling for action in the Community regarding a number of initiatives. This too can be addressed by the Village Board based upon what is requested and considered at a future meeting as desired.

FINANCIAL/BUDGET IMPACT:

None.

VILLAGE PLAN REFERENCE:

None.

ORDINANCE REFERENCE:

None.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

Presented for approval.

ATTACHMENTS:

1. 2020-14 Resolution Honoring George Floyd with our Actions

RESOLUTION 2020-14

A RESOLUTION HONORING GEORGE FLOYD WITH OUR ACTIONS

WHEREAS, on May 25, 2020, George Floyd, an African American man, died at the hands of four Minneapolis, Minnesota, police officers;

WHEREAS, the actions of those four Minneapolis, Minnesota, police officers do not represent the thousands of men and women that serve and protect their respective communities with the highest levels of professionalism, but their actions do impact the relationships between most communities and their police departments; and

WHEREAS, this act of intolerable violence and other similar acts that have occurred across this country in recent years are unpardonable and must serve as a wake-up call to every human being that recognizes life as both a gift and human right.

NOW, THEREFORE, BE IT RESOLVED BY THE Village Board, Village Administrator, McFarland Police Department, and all Employees for the Village of McFarland, as follows, that:

- 1) We join with America in sharing its sorrow within the shadow of this heinous act;
- 2) We recognize that we all come from a common thread as a single human race and call on our country to recognize the value of human life;
- 3) We fully support and strongly endorse peaceful unification throughout this country opposing acts of violence against persons of color and those of different ethnicity, religions, beliefs or expressions, both now and in perpetuity;

4) We call upon our Community to join with us in committing to introspective evaluation of ourselves as public servants, citizens and as fellow members of the human family; and

5) Furthermore, we invite further dialogue and action within the Community to work together by doing everything we can to build a system that finally fulfills the promise of liberty and justice for all.

ADOPTED at a regular meeting of
the McFarland Village Board this 8th day
of June, 2020.

Brad Czebotar
Village President

Attest: _____
Cassandra Suettinger
Clerk/Treasurer

RESOLUTION #2020-14	
MOTION	SECOND
ACTION	DATE
Adopted	
Referred	
Tabled	
Withdrawn	
Defeated	
Published	
INDIVIDUAL VOTING RECORD	
Brassington	Kryzenske
Clow	Rupert
Czebotar	Utter
Flaherty	
VOTING RESULTS	
Motion Carried:	
Motion Defeated:	



VILLAGE BOARD SUMMARY SHEET

MEETING DATE: Monday, June 8, 2020

SECTION: Business

DEPARTMENT: Administration

CONTACT: Cassandra Suettinger, Village Clerk/Treasurer, Matt Schuenke, Village Administrator

AGENDA ITEM: Discussion and action regarding the acceptance of the 2019 Municipal Financial Statements and Audit Results as presented by Baker Tilly Virchow Krause.

PREVIOUS ACTION:

The Public Utilities Committee reviewed the audit for the utilities at its meeting on May 19, 2020 and recommended for acceptance.

The Finance Committee reviewed the audit for the Village purposes at its meeting on May 27, 2020 and recommended for acceptance.

ISSUE SUMMARY:

Included within your packet are the financial statements and audit for the year ended December 31, 2019 including the Village as a whole and our utilities. These are done collectively to address the financial condition of the Village for everything as addressed and described within the reports. The auditor will be present to go over this information for the Village Board and address the questions the group may have.

FINANCIAL/BUDGET IMPACT:

GENERAL FUND

Although the statements depict a deficit within the General Fund (100), the overall performance for the previous year was actually pretty good ending up almost as we had intended too. The Village for the last several years has posted very large surpluses which is good to an extent but should be managed to not constantly have revenues far exceed expenses each year; otherwise the tax levy could be lowered to address this. Especially considering we have a fund balance ratio of near 50% which is where we've been hovering on average for a few years now.

Bottom line, from a budgetary stand point we had budgeted to expend about \$35,000 in fund balance for the year (which is normal for the Village). The actual revenues over expenses shows a deficit of \$54,972 and when you apply the fund balance we intended to use that decreases to \$19,972 which is about as close to balanced as we are going to find ourselves in most years.



UTILITIES

This includes the Utilities Fund (600) and Stormwater Utility Fund (605). The Utilities Fund includes sewer and water services. Overall the performance shows a gain from the prior year; however, that gain only exists for Water and Stormwater while Sanitary Sewer lagged with another deficit within its operations. This is at a similar level as the previous year and is not unexpected. Earlier this year the Committee recommended, and Board enacted a rate increase to help boost revenues to begin to address this. There was no question we would take another loss in 2019 but in 2020 we expect to begin to make gains on this with the idea future increases within this fund might be needed.

However, while the increase is approved it is not implemented due to the COVID-19 Pandemic. The implementation period was set to fall right as the outbreak hit and many orders were being levied on Village operations. We have opted to hold off for now and likely move forward on this later in the Summer which will help to begin to turn around 2020 but likely not to the full extent.

ALL OTHER FUNDS

A brief summary of the remainder of the funds is provided as follows:

- Communications and Technology (200) - Funded mainly by franchise fees paid by Charter and now TDS, the Department about broke even for the year having enough revenue to cover their expenses.
- Library (205) - The Library is predominantly funded by property taxes but also does receive a substantial amount from Dane County for support. They had a decent surplus to continue grow and support their fund balance that is in line with policy.
- Youth Center (210) - This is a special purpose fund in which the Youth Center is provided funds from the Village from the School District based on a land sale agreement the Village entered into with the district in 2017. This will operate close to zero with the agreement between the Village and District expiring in 2020.
- Debt Service (300) - Debt is paid for through the tax levy and does have some interest and impact fees that it collects which helps to keep the levy need down. There was a small surplus which added to the fund balance allowing for those funds to be used to pay down debt in the future as desired.
- Tax Increment Districts (305, 310, 315) - All TIDs remain on track financially. TID #3 continues to experience significant growth which has generated significant fund balance. TID #4 is in deficit mode but continues to meet its obligations. TID #5 is still in its infancy with 2019 being only its second year of operations with value already being added.
- Capital (400) - Funded mainly by debt to support capital projects but there is some amount from the tax levy to support smaller items. Deficit for last year was planned in order to spend down excess proceeds from previous year borrowings.
- Parks (405) - Funded by impact fees provided through new development and has been



growing very well the last few years. No expenses were recorded in 2019 but 2020 has a few things planned.

- Solid Waste (610) - This provides the funding for garbage, recycling, and yard waste collection. Primarily funded by a special assessment with the fee for garbage and recycling costs being passed through. Turned a surplus to help build the fund balance which thus far has been used to purchase replacement containers when needed.
- Retiree (700) - This fund allocates a portion of the tax levy to pay for post-employment benefits, essentially the sick leave owed to employees when they retire. This is managed by a third party and helps to separate these costs out from the other funds. Revenue has been pretty consistent the last few years and expenses are dependent upon retirements which fluctuate from year to year.
- Canine (800) - The Police Department raises funds to support the canine within its Department. These funds offset costs to care for the animal and also help to build a surplus for its replacement at some point in the future.

VILLAGE PLAN REFERENCE:

None.

ORDINANCE REFERENCE:

None.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

Recommended for acceptance.

ATTACHMENTS:

1. 200.14 FS Highlight - Final for 2019 Updated
2. (202) Updated Issued statements
3. McFarland Water and Sewer AUD 12-31-2019 FS Final
4. (743) Issued IC



Village of McFarland

Financial highlights

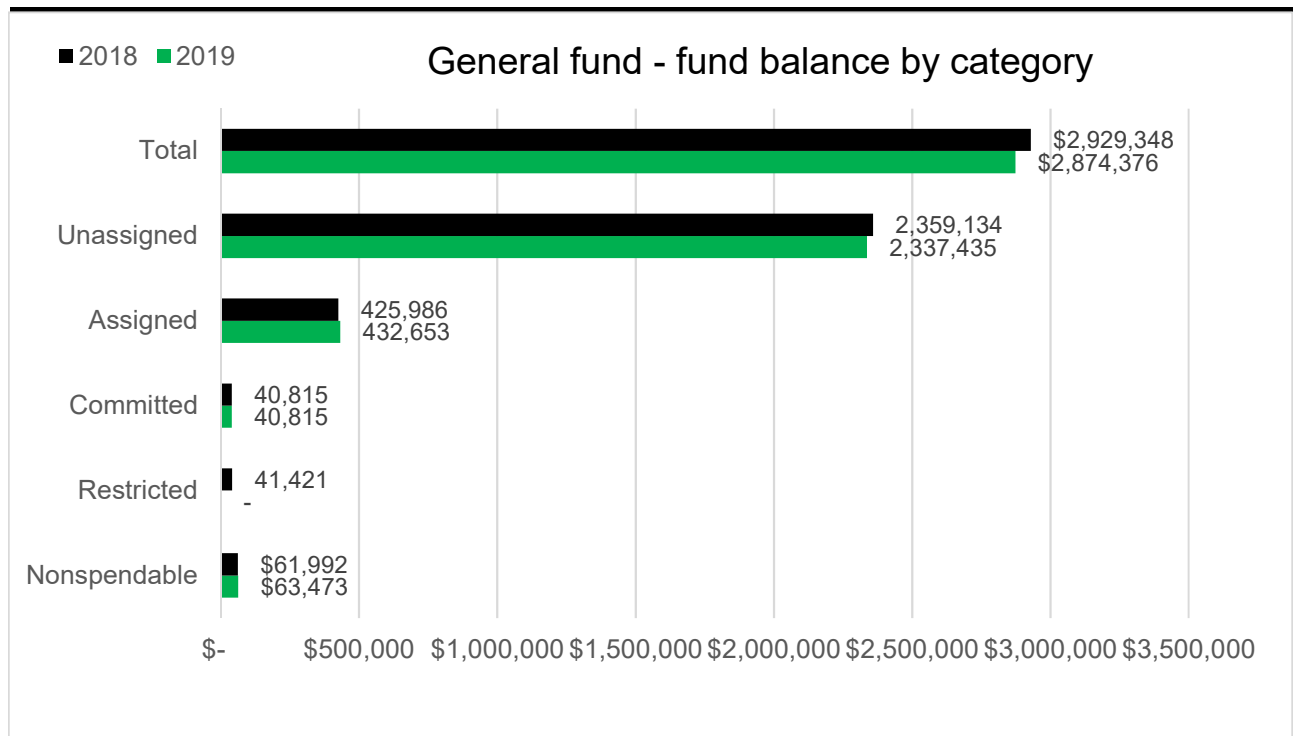
June 8, 2020

Client service team

Carla A. Gogin, CPA, Partner

Village of McFarland

General fund results



Summarized income statement

	<u>Actual</u>	<u>Final budget</u>	<u>Variance</u>
	\$ 6,123,347	\$ 5,897,000	\$ 226,347
Expenditures and other financing uses	6,178,319	5,932,000	(246,319)
Net change in fund balance	<u>\$ (54,972)</u>	<u>\$ (35,000)</u>	<u>\$ (19,972)</u>

Fund balance category definitions

Nonspendable - amounts cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained in tact.

Restricted - amounts that can be spent only for the specific purposes stipulated by an external source.

Committed - amounts constrained for specific purposes that are internally imposed through formal action of the governing body.

Assigned - spendable amounts that are intended to be used for specific purposes that are not considered restricted or committed.

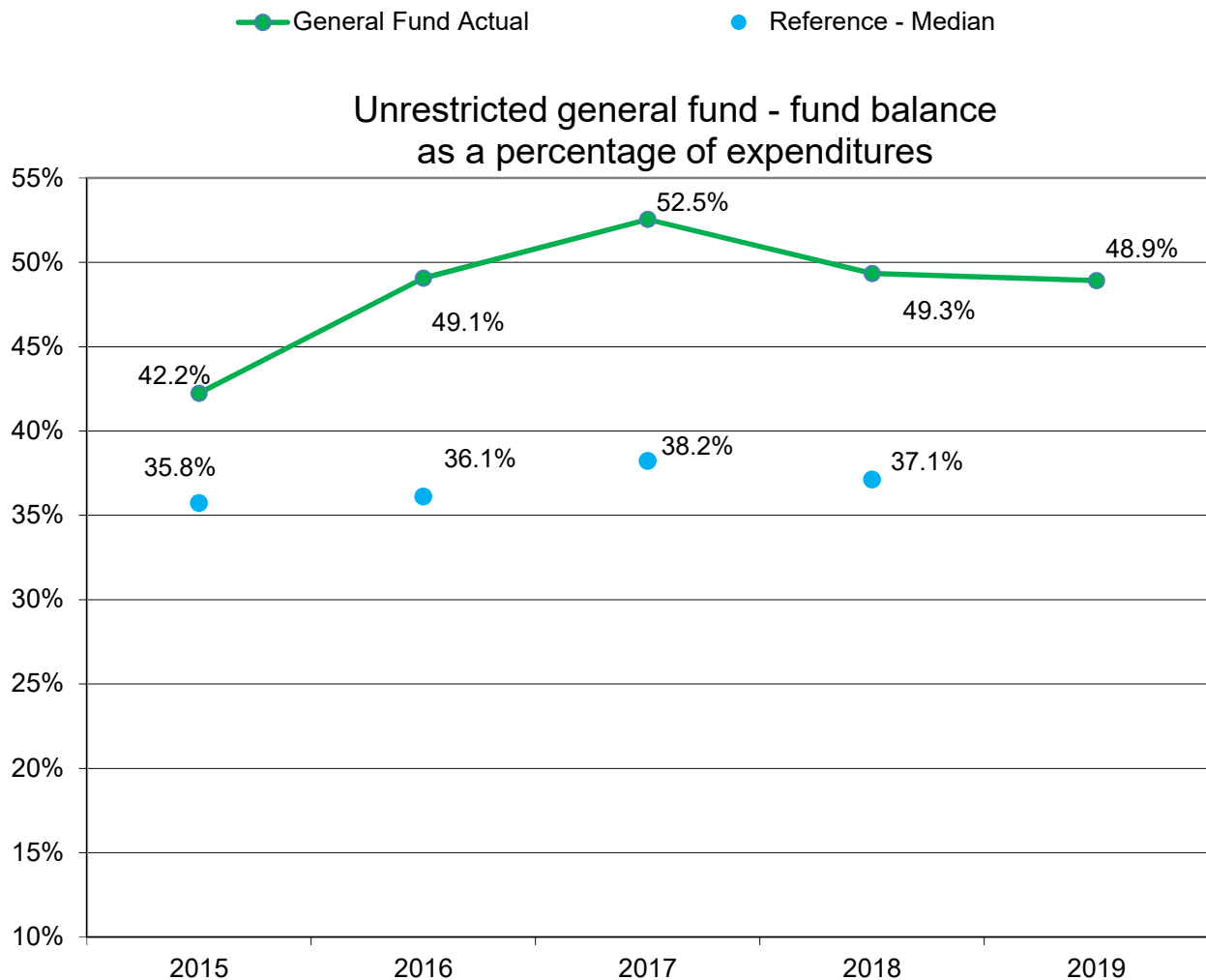
Unassigned - residual amounts that have not been classified within other categories above.

Village of McFarland

General fund - fund balance trends

Fund balance policy:

The village has a formal minimum fund balance policy. The policy is to maintain a working capital fund of 20% of the subsequent years budgeted general fund expenditures, with a target maximum of 25%. The balance at 12/31/19 was \$2,337,435 or 36%.



Other reference values

GFOA recommends a minimum of no less than 2 months (16.7%) of general fund expenditures.

Median reference value generated from 2015 - 2018 Baker Tilly municipal client data for population ranges from 7,500 to 10,000.

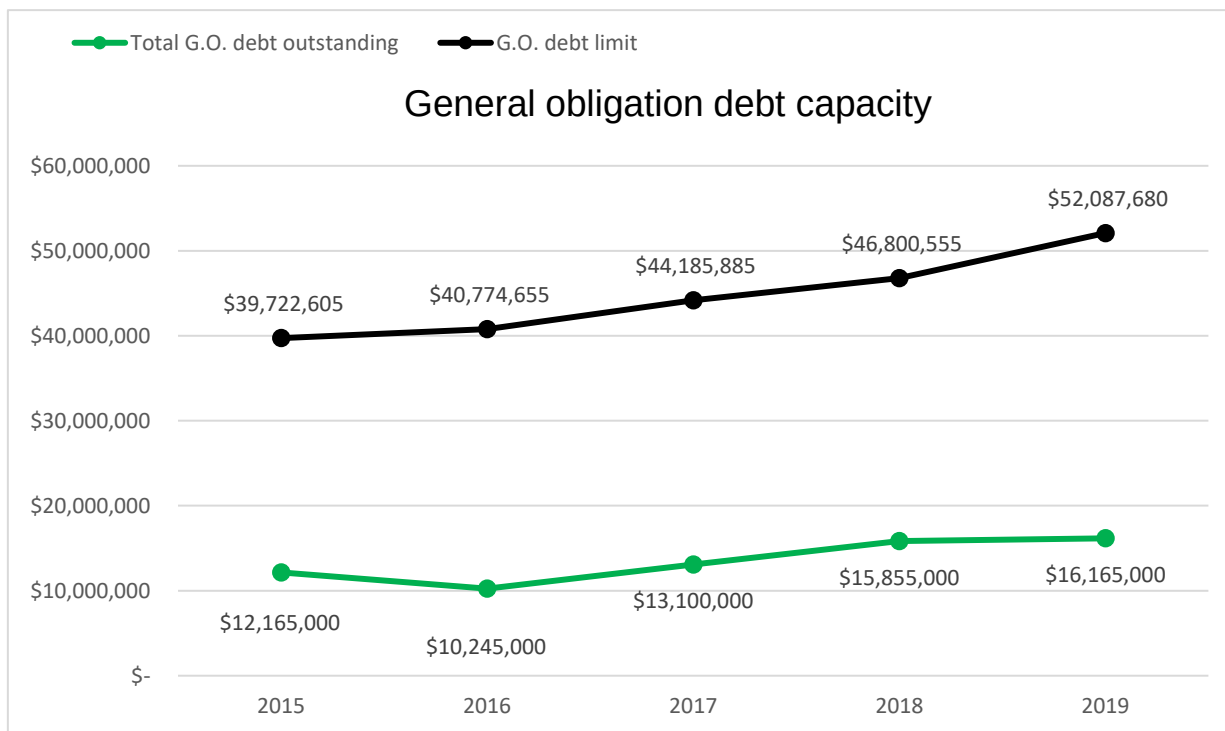
Village of McFarland

General obligation debt

Debt management policy:

The Village intends to keep total outstanding general obligations debt within 50% of the legal debt margin capacity (5% of the village's total equalized value), as well as non-utility and non-TIF related GO debt within 40% of the statutory limit.

Total debt as a percentage of the debt limit at 12/31/19: **31%**
 Total non-utility and non-TIF debt as a percentage of the debt limit at 12/31/19: **20%**



Total debt outstanding by type at 12/31/2019

	General obligation	Revenue debt	Other	Total
City	\$ 10,275,000	\$ -	\$ -	\$ 10,275,000
Utility	3,525,000	-	-	3,525,000
TIF	2,365,000	-	-	2,365,000
Total	\$ 16,165,000	\$ -	\$ -	\$ 16,165,000

Comparative metrics available online through the Wisconsin Policy Forum.

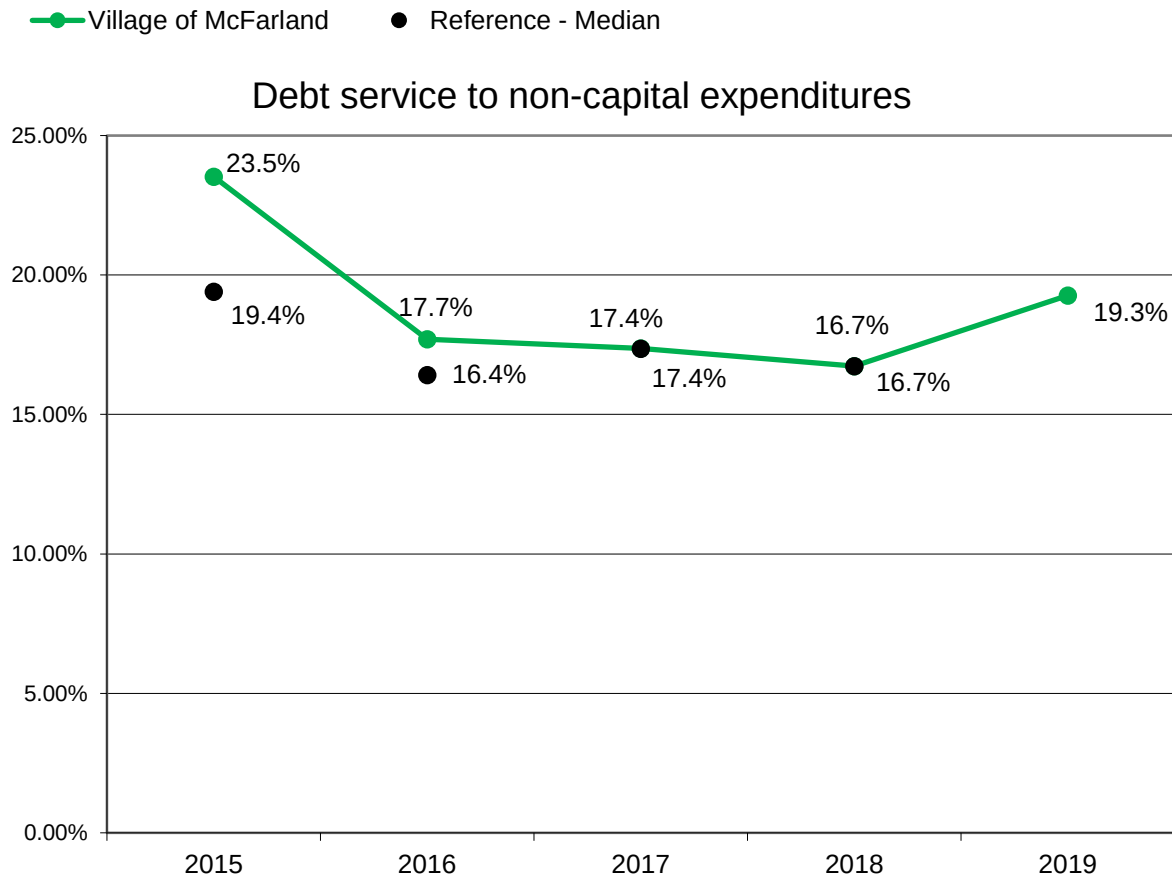
<https://wispolicyforum.org/research/municipal-datatool-examining-and-comparing-wisconsin-cities-and-villages/>

Select "Debt" -- options for custom comparisons or comparisons by county

Debt management policy:

It is the Village's policy that the total annual debt service expense for general obligation debt (exclusive of that funded by proprietary operations) should not exceed 25% of the Village's total operating expense less capital outlay, unless otherwise authorized by the Village Board.

Village of McFarland Governmental funds - debt service



Current and prior year data

	2019	2018
Principal	\$ 1,615,000	\$ 1,210,000
Interest	388,431	322,677
Total	<u>\$ 2,003,431</u>	<u>\$ 1,532,677</u>

Non-capital expenditures	<u>\$ 10,397,538</u>	<u>\$ 9,158,994</u>
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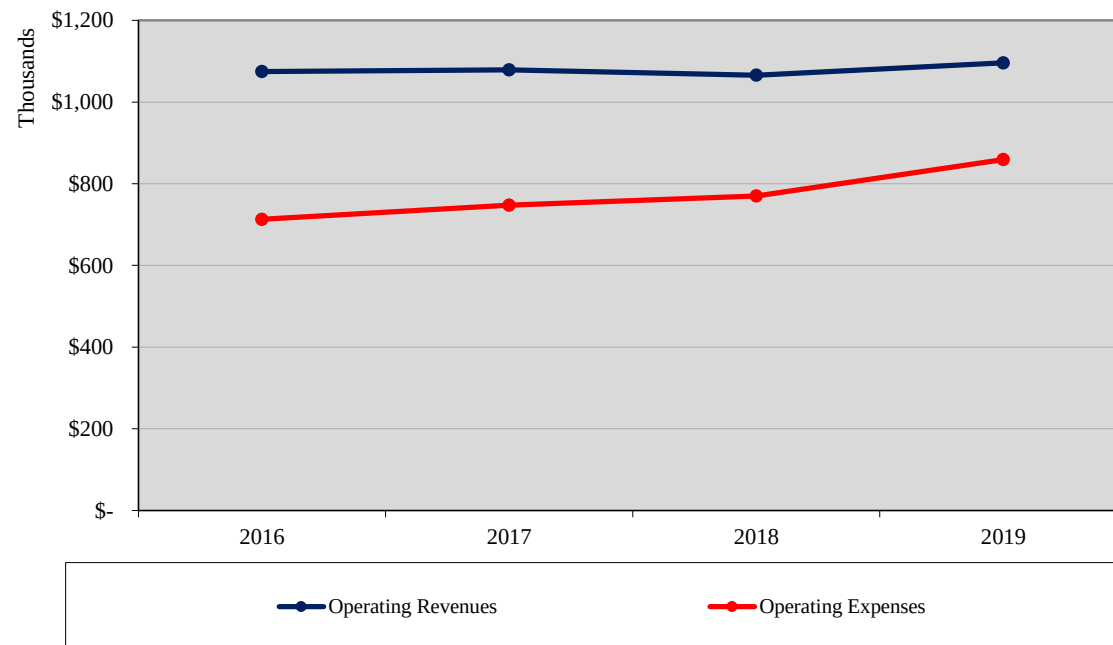
Other reference values

Median reference value generated from 2015 - 2018 Baker Tilly municipal client data for population ranges from 7,500 to 10,000.

VILLAGE OF McFARLAND

WATER UTILITY FINANCIAL STATEMENT HIGHLIGHTS

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Water Sold (CCF's)	<u>180,044</u>	<u>178,790</u>	<u>174,747</u>	<u>181,555</u>
Operating Revenues	\$ 1,074,522	\$ 1,078,946	\$ 1,065,570	\$ 1,095,992
Operating Expenses	712,952	747,284	770,135	859,161

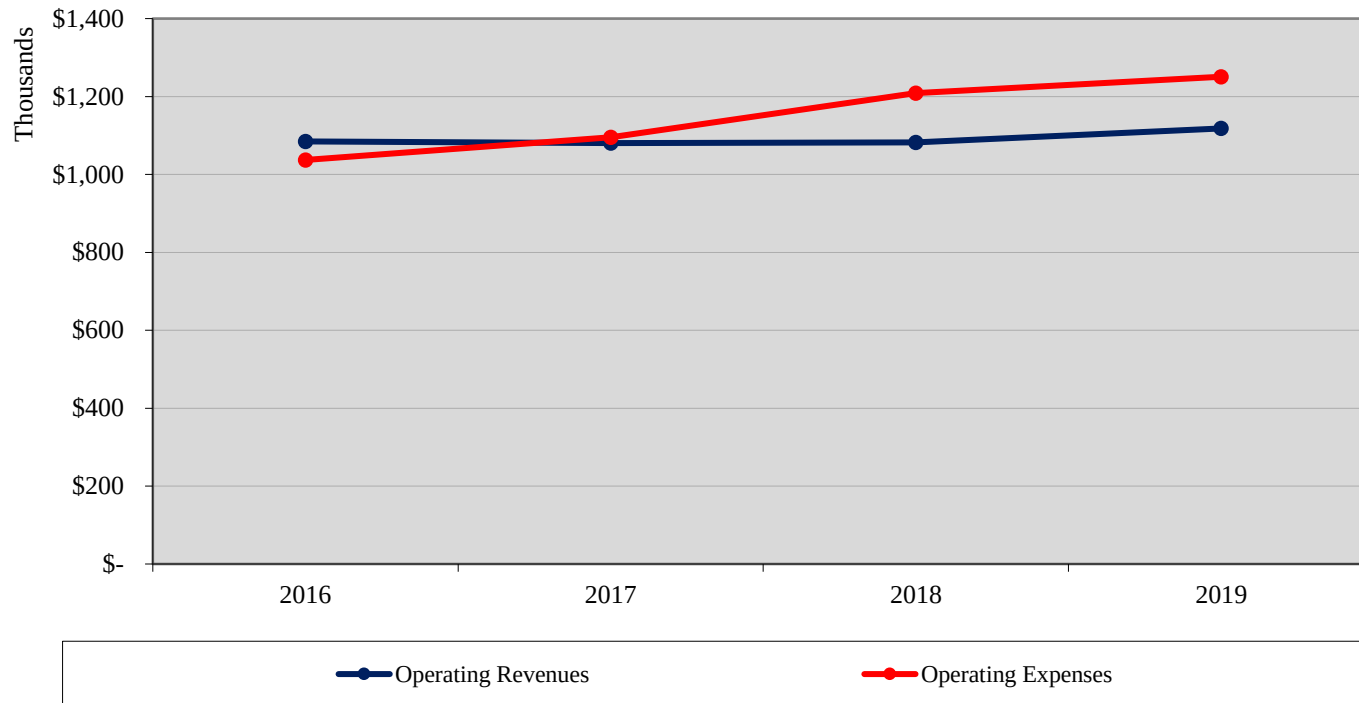


<u>Rate of Return</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actual rate	4.98%	3.03%	2.39%	1.58%
Authorized rate	7.25%	7.25%	7.25%	7.25%

VILLAGE OF McFARLAND

SEWER UTILITY FINANCIAL STATEMENT HIGHLIGHTS

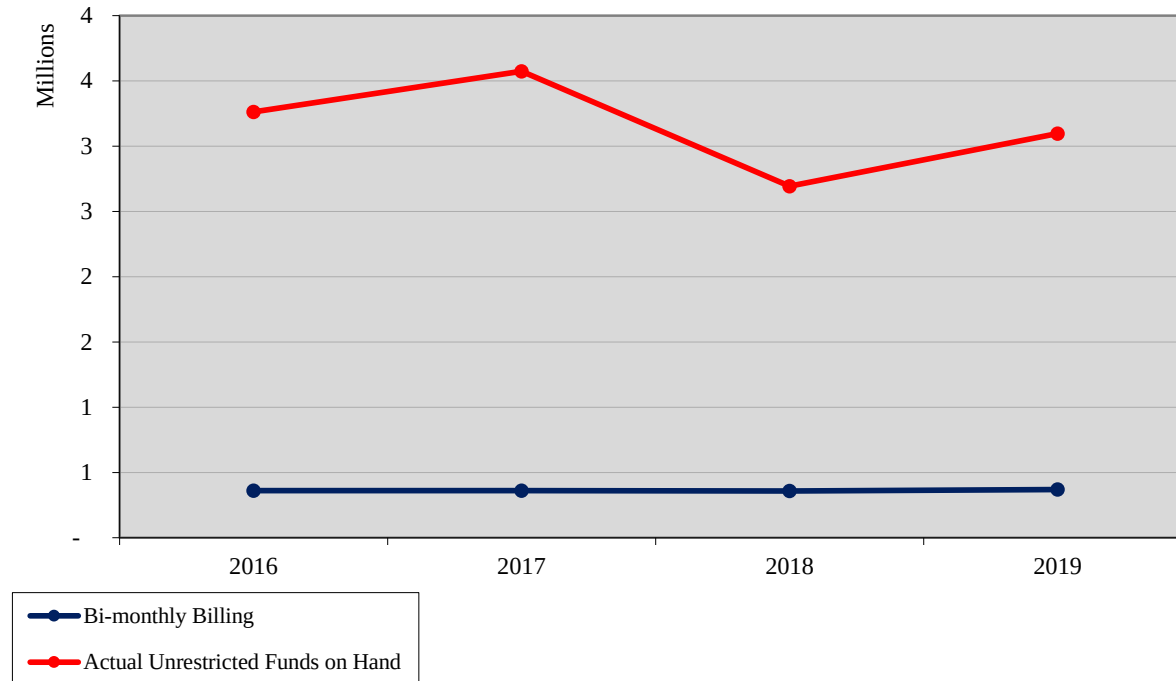
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Operating Revenues	\$ 1,084,275	\$ 1,080,415	\$ 1,082,477	\$ 1,118,009
Operating Expenses	1,037,052	1,095,369	1,208,749	1,250,720



VILLAGE OF McFARLAND

WATER & SEWER UTILITY FINANCIAL STATEMENT HIGHLIGHTS

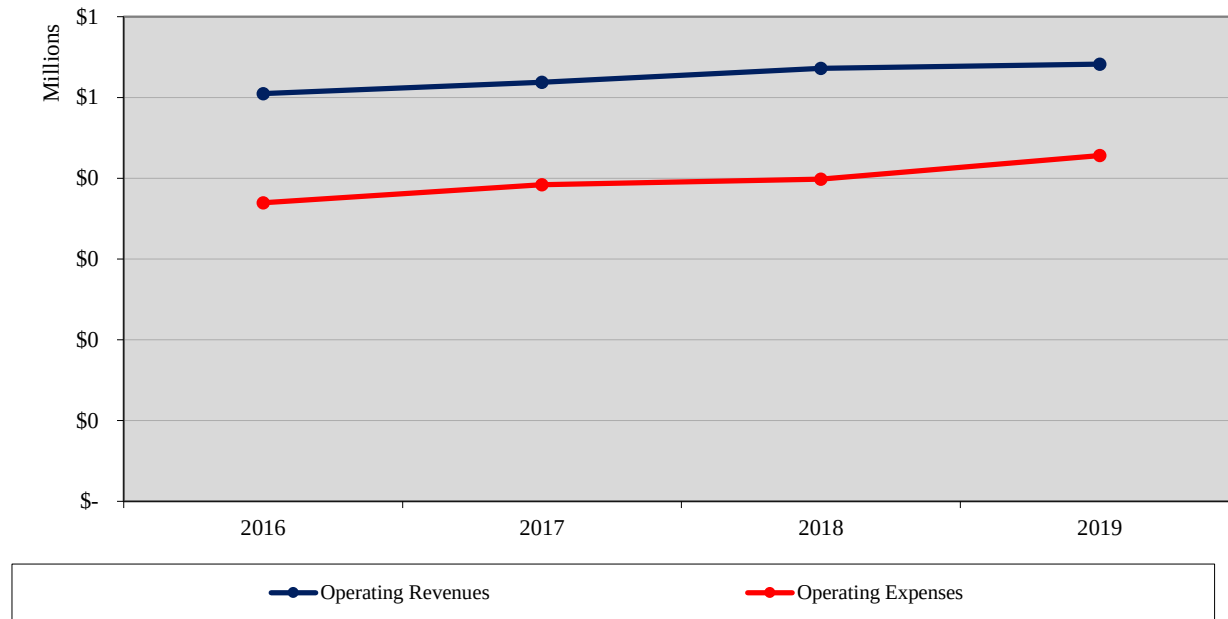
<u>Unrestricted Cash</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Minimum Funding Benchmark				
Bi-monthly Billing	359,808	359,894	358,008	369,000
Actual Unrestricted Funds on Hand	\$ 3,261,481	\$ 3,573,941	\$ 2,693,526	\$ 3,095,892
Bi-monthly Billings on Hand	9.06	9.93	7.52	8.39



VILLAGE OF McFARLAND

STORM UTILITY FINANCIAL STATEMENT HIGHLIGHTS

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Operating Revenues	\$ 504,762	\$ 518,965	\$ 536,023	\$ 541,241
Operating Expenses	369,630	391,960	398,949	428,053



<u>Unrestricted Cash</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Minimum Funding Benchmark				
Bi-monthly Billing	\$ 84,127	\$ 86,494	\$ 89,337	\$ 90,207
Actual Unrestricted Funds on Hand	\$ 838,659	\$ 1,021,552	\$ 1,076,266	\$ 1,005,408
Bi-monthly Billings on Hand	9.97	11.81	12.05	11.15

VILLAGE OF MCFARLAND

McFarland, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2019

VILLAGE OF MCFARLAND

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VILLAGE OF MCFARLAND

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INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of McFarland
McFarland, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of McFarland, Wisconsin, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village of McFarland's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village of McFarland's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Village of McFarland's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of McFarland, Wisconsin, as of December 31, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the Village of McFarland adopted the provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, effective January 1, 2019. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of McFarland's basic financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
May 19, 2020

VILLAGE OF MCFARLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and for the Year Ended December 31, 2019

The management of the Village of McFarland ("village") offers this narrative discussion and analysis (MD&A) of the financial performance of the village for the year ended December 31, 2019. The MD&A is designed to: (1) assist the reader in focusing on significant financial issues; (2) provide an overview of the village's financial activity; (3) identify changes in the village's financial position; (4) identify material deviations from the approved budget; and (5) identify individual fund issues or concerns.

Since the MD&A focuses primarily on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the village's more detailed financial statements which follow this section.

FINANCIAL HIGHLIGHTS

When revenues exceed expenses, the result is an increase in net position; when expenses exceed revenues, the result is a decrease in net position. This relationship between revenues and expenses illustrates the village's operating results. The village's net position, as measured in the Statement of Net Position, is an important indicator of the village's financial position or health. Over time, increases or decreases in the village's net position, as measured in the Statement of Activities, are important indicators of whether its financial health is improving or deteriorating. The village's mission, however, is to provide services that improve the quality of life for its residents, rather than generate profits as companies do. For this reason, it is also necessary to consider many other non-financial factors, such as the condition of roads or quality of services, in assessing the overall health of the village.

- > The assets and deferred outflows of resources of the Village of McFarland exceeded its liabilities and deferred inflows of resources as of December 31, 2019 by \$61,360,494 (net position). Total net position includes all major infrastructure networks.
- > The Village of McFarland's total net position increased by \$1,911,812 in 2019.
- > As of December 31, 2019, the Village of McFarland's governmental funds reported combined ending fund balances of \$7,430,821, an increase of \$562,221 (8%) from the prior year. The main contributor to this increase was the decrease in TIF incentives paid in 2019.
- > As of December 31, 2019, the unassigned fund balance for the General Fund was \$2,337,435 or approximately 36% of total general fund expenditures budgeted for 2020. The total fund balance in the General Fund – also including Nonspendable, Restricted, Committed, and Assigned amounts – was \$2,874,376, a decrease of \$54,972 (2%) over the previous year.
- > The Village of McFarland's total general obligation debt increased by \$1,240,000 as of 12/31/19. At year-end, the village was utilizing 30.6% of its general obligation debt capacity, a decrease from 33.9% the previous year. \$2,365,000 of the general obligation debt is for TIF No. 3, TIF No. 4, and TIF No. 5 purposes and will be repaid from revenue sources other than general property taxes. If the TIF debt is subtracted out, the village is utilizing 26.1% of its allowable debt capacity for general purposes.

VILLAGE OF MCFARLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and for the Year Ended December 31, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS

GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the village's finances, in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all of the village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the village is improving or deteriorating. To assess the overall health of the village it is also necessary to consider additional nonfinancial factors such as changes in the village's property tax base and the condition of the village's infrastructure.

The *Statement of Activities* presents information showing how the village's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the village that are principally supported by taxes and intergovernmental revenues (governmental activities) from those functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the village include general government; public safety; health and social services; public works; leisure activities; and conservation and development. The business-type activities of the Village of McFarland include the Water, Sewer and Stormwater Utilities.

The government-wide financial statements can be found on pages 1 to 3 of this report.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the village can be divided into three categories: governmental funds; proprietary funds; and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, however, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

VILLAGE OF MCFARLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and for the Year Ended December 31, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

FUND FINANCIAL STATEMENTS (cont.)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains thirteen (13) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, General Debt Service, TIF No. 3, and the Capital Equipment and Projects Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 4 to 9 of this report.

Proprietary Funds – The village maintains two (2) proprietary enterprise funds – the Water and Sewer Utility and the Stormwater Utility, both of which are major funds. These enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 10 to 14 of this report.

Custodial Funds – Custodial funds are used to account for resources held for the benefit of parties outside the government. Custodial funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The village is the trustee, or fiduciary, for collection of all property taxes within the village for all taxing jurisdictions. These jurisdictions include the McFarland School District, Dane County, Madison Area Technical College, and the State of Wisconsin forestry tax.

The basic fiduciary fund financial statements can be found on pages 15 to 16 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 to 54 of this report.

VILLAGE OF MCFARLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and for the Year Ended December 31, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

FUND FINANCIAL STATEMENTS (cont.)

Other Information – In addition to the basic financial statements and accompanying notes, required supplementary information presents a budgetary comparison schedule for the General Fund to demonstrate compliance with the budget and information relating to the village's net pension asset and related contributions. These schedules can be found on pages 55 to 57 of this report. The combining statements referred to earlier in connection with non-major governmental funds are presented following the required supplementary information and can be found on pages 58 to 64 of this report.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

An analysis of the village's financial position should begin with a review of the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position. These two statements report the village's net position and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations.

NET POSITION

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of McFarland, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$61,360,494 as of December 31, 2019. This is an increase of \$1,911,812 (3.2%) compared to 2018 when the net position improved \$4,615,735 (8.4%) over the prior year.

The largest portion of the village's net position (approximately 81%) reflects its investments in capital assets (e.g. land, buildings, equipment, improvements, construction in progress and infrastructure), less any debt used to acquire those assets that is still outstanding. The village uses these capital assets to provide service to citizens; consequently these assets are not available for future spending. Although the village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to satisfy these liabilities.

An additional portion of the village's net position (approximately 5.3%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is \$8,182,630, a 7.2% increase from the previous year. On the statement of net position there is an adjustment for capital assets owned by the business-type activities column, but financed by the debt of the governmental activities column, the effect of which is explained further in Note I.D.11 on page 27 of the financial statements.

VILLAGE OF MCFARLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and for the Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

NET POSITION (cont.)

A summary of the village's Statement of Net Position is presented in the table below.

VILLAGE OF MCFARLAND'S NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 16,268,534	\$ 16,886,914	\$ 5,515,105	\$ 5,396,953	\$ 21,783,639	\$ 22,283,867
Capital assets	45,127,950	43,311,889	20,059,872	19,241,682	65,187,822	62,553,571
Total Assets	<u>61,396,484</u>	<u>60,198,803</u>	<u>25,574,977</u>	<u>24,638,635</u>	<u>86,971,461</u>	<u>84,837,438</u>
Deferred Outflows	<u>2,325,505</u>	<u>1,280,804</u>	<u>265,758</u>	<u>132,896</u>	<u>2,591,263</u>	<u>1,413,700</u>
Long-term liabilities	14,314,756	13,254,189	3,787,882	3,543,426	18,102,638	16,797,615
Other liabilities	670,992	823,074	242,513	238,430	913,505	1,061,504
Total Liabilities	<u>14,985,748</u>	<u>14,077,263</u>	<u>4,030,395</u>	<u>3,781,856</u>	<u>19,016,143</u>	<u>17,859,119</u>
Deferred Inflows	<u>9,053,789</u>	<u>8,824,288</u>	<u>132,298</u>	<u>119,049</u>	<u>9,186,087</u>	<u>8,943,337</u>
Net Position:						
Net investment in capital assets	34,348,776	33,502,350	16,418,433	15,798,653	49,946,723	48,480,517
Restricted	2,759,986	2,873,185	471,155	463,637	3,231,141	3,336,822
Unrestricted	<u>2,573,690</u>	<u>2,202,521</u>	<u>4,788,454</u>	<u>4,608,336</u>	<u>8,182,630</u>	<u>7,631,343</u>
TOTAL NET POSITION	<u>\$ 39,682,452</u>	<u>\$ 38,578,056</u>	<u>\$ 21,678,042</u>	<u>\$ 20,870,626</u>	<u>\$ 61,360,494</u>	<u>\$ 59,448,682</u>

The net position section includes an adjustment for capital assets owned by the business-type activities column but financed by the debt of the governmental activities column. See Note I.11.

CHANGES IN NET POSITION

The following table provides a summary of the village's operations for the year ended December 31, 2019. Governmental activities increased the Village of McFarland's net position by \$1,104,396 (2.9%). This compares to an increase of \$2,317,254 (6.3%) in 2018.

Business-type activities increased the net position by \$807,416 (3.9%). This compares to an increase of \$2,298,481 (12.4%) in the prior year.

VILLAGE OF MCFARLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and for the Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

CHANGES IN NET POSITION (cont.)

The following tables and narrative review separately the operational results of governmental and business-type activities.

VILLAGE OF MCFARLAND CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues						
Charges for services	\$ 1,549,949	\$ 1,526,415	\$ 2,755,242	\$ 2,684,070	\$ 4,305,191	\$ 4,210,485
Operating grants and contributions	1,145,134	1,978,985	-	-	1,145,134	1,978,985
Capital grants and contributions	1,410,455	264,314	825,182	2,169,846	2,235,637	2,434,160
General Revenues						
Property taxes	7,056,266	6,771,397	-	-	7,056,266	6,771,397
Other taxes	122,281	116,068	-	-	122,281	116,068
Intergovernmental	209,140	196,735	-	-	209,140	196,735
Investment income	278,767	164,811	105,034	130,552	383,801	295,363
Gain on asset disposal	868	9,970	-	-	868	9,970
Miscellaneous	34,304	127,621	8,910	12,768	43,214	140,389
Total Revenues	<u>11,807,164</u>	<u>11,156,316</u>	<u>3,694,368</u>	<u>4,997,236</u>	<u>15,501,532</u>	<u>16,153,552</u>
Expenses						
General government	1,155,104	1,169,324	-	-	1,155,104	1,169,324
Public safety	3,241,869	3,481,791	-	-	3,241,869	3,481,791
Health and social services	242,177	223,581	-	-	242,177	223,581
Public works	3,065,311	1,647,356	-	-	3,065,311	1,647,356
Leisure activities	1,892,912	1,465,255	-	-	1,892,912	1,465,255
Conservation and development	947,313	762,532	-	-	947,313	762,532
Interest and fiscal charges	420,742	338,367	-	-	420,742	338,367
Water, sewer and stormwater	-	-	2,624,292	2,449,611	2,624,292	2,449,611
Total Expenses	<u>10,965,428</u>	<u>9,088,206</u>	<u>2,624,292</u>	<u>2,449,611</u>	<u>13,589,720</u>	<u>11,537,817</u>
Increases in Net Position Before Transfers	841,736	2,068,110	1,070,076	2,547,625	1,911,812	4,615,735
Transfers	<u>262,660</u>	<u>249,144</u>	<u>(262,660)</u>	<u>(249,144)</u>	<u>-</u>	<u>-</u>
Change in Net Position	1,104,396	2,317,254	807,416	2,298,481	1,911,812	4,615,735
NET POSITION – Beginning of Year	<u>38,578,056</u>	<u>36,260,802</u>	<u>20,870,626</u>	<u>18,572,145</u>	<u>59,448,682</u>	<u>54,832,947</u>
NET POSITION – End of Year	<u>\$ 39,682,452</u>	<u>\$ 38,578,056</u>	<u>\$ 21,678,042</u>	<u>\$ 20,870,626</u>	<u>\$ 61,360,494</u>	<u>\$ 59,448,682</u>

VILLAGE OF MCFARLAND

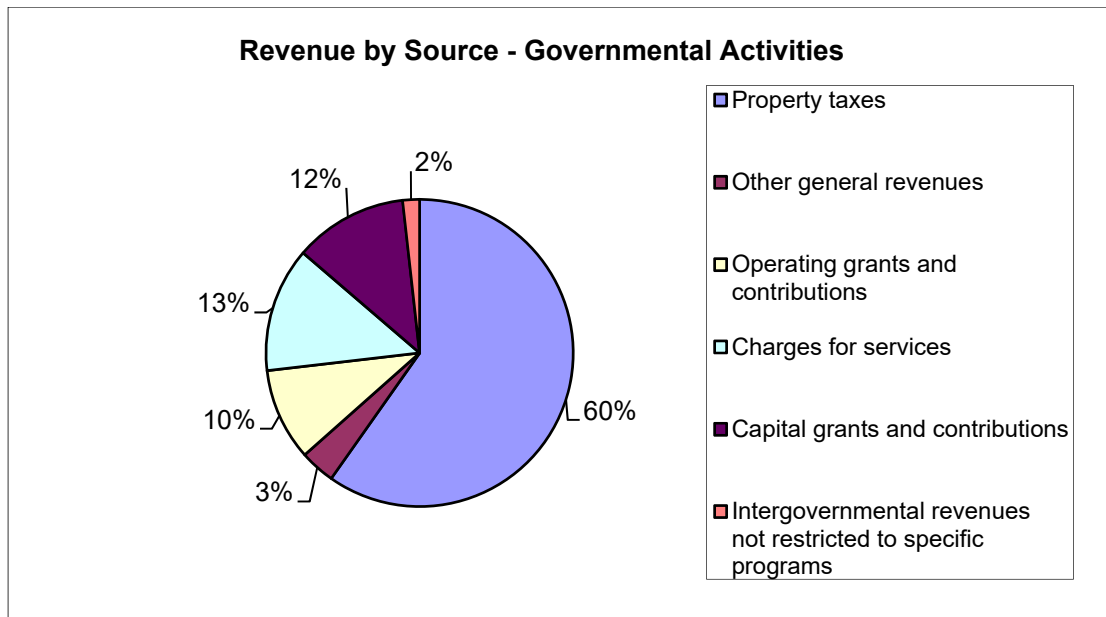
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and for the Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

GOVERNMENTAL ACTIVITIES

The village received a total of \$11,807,164 in governmental activity revenues in 2019. This is an increase of \$650,848 (5.8%) from the prior year. The overall tax levy increased and capital grants and contributions increased; however, operating grants and contributions decreased. As the following chart indicates, property taxes account for about two-thirds of all revenues.

Revenue by Source – Governmental Activities



Total governmental activities expenses were \$10,965,428 in 2019, an increase of \$1,877,222 (20.7%) from the prior year. The increase in 2019 stems from an increase in public works and conservation and development. Revenues exceeded expenses by \$841,736, down \$1,226,374 from the prior year. After transfers, there was an increase in net position of \$1,104,396.

In 2019, Public Safety (police, fire, EMS, emergency management) activities accounted for the largest share of Village expenditures at 29.7%, down from 38.3% the prior year. This was followed by expenditures on Public Works activities at 28%, up from 18%. Other expenditure areas included General Government at 10.5%, Leisure Activities at 17.3%, Conservation and Development at 8.6%, and Health and Social Services at 2.2%. Interest and fiscal charges accounted for the remaining 3.8% of governmental activity expenses, up from 3.7% in 2018.

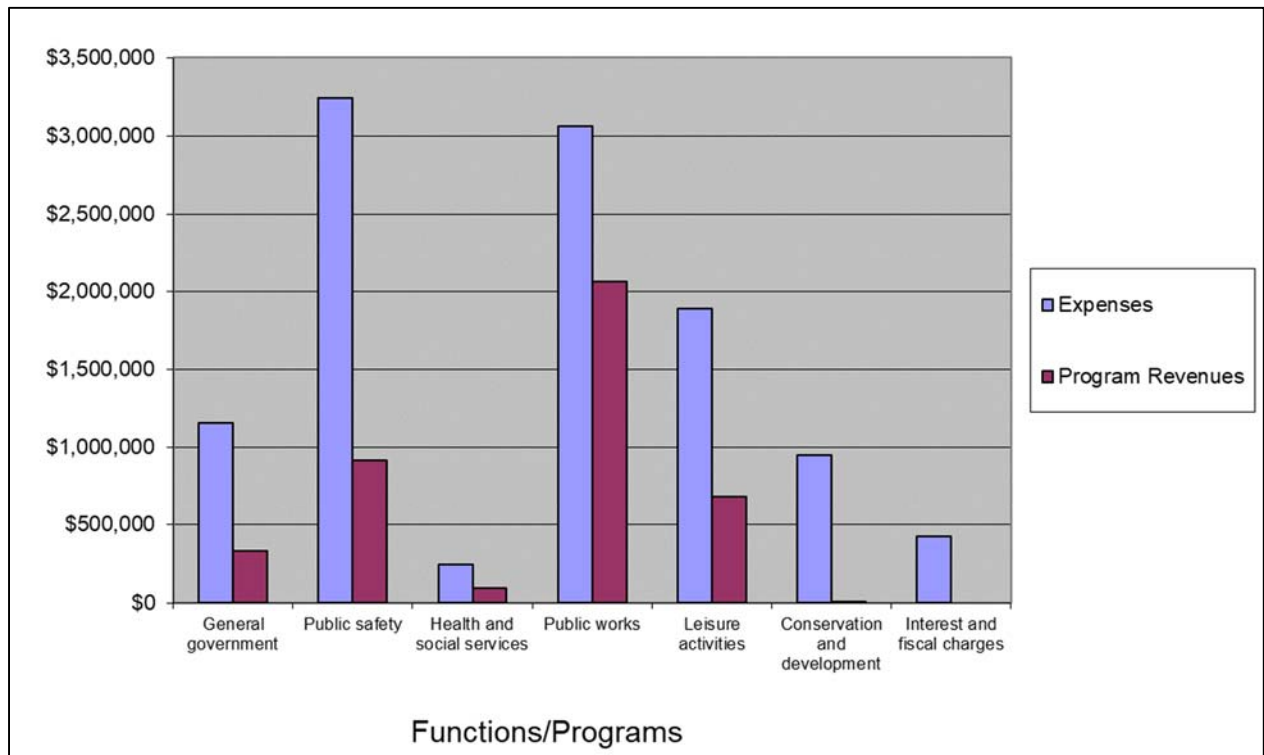
VILLAGE OF MCFARLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
As of and for the Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

GOVERNMENTAL ACTIVITIES (cont.)

Expenses and Program Revenue – Governmental Activities



BUSINESS-TYPE ACTIVITIES

The village generated \$3,694,368 in business-type activity revenue in 2019 from its Water, Sewer and Stormwater Utility Funds. This is a 26% decrease compared to 2018 when revenues were \$4,997,236. Charges for services are the largest revenue source for these operations, representing 75% of revenues.

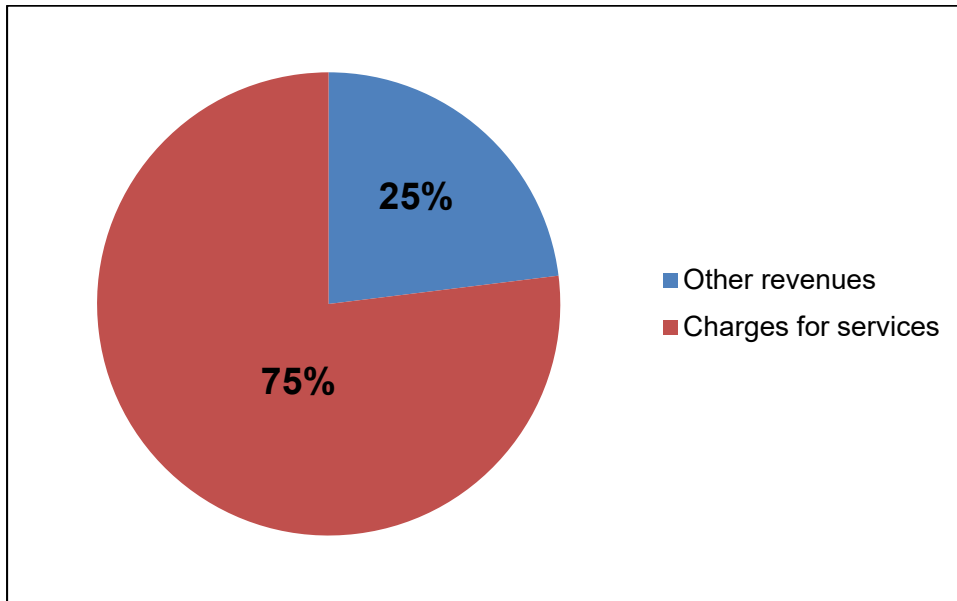
VILLAGE OF MCFARLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
As of and for the Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

BUSINESS-TYPE ACTIVITIES (cont.)

Revenue by Source – Business-type Activities



Business-type activities increased the village's net position by \$807,416 (3.9%) in 2019. This compares to an increase of \$2,298,481 (12%) in 2018. The net operating income of the business-type activities was \$217,308, down \$88,929 (29%) from the prior year. The following graph compares the charges for services to the operating expenses for each utility. The authorized rate of return for the PSCW regulated Water Utility is 7.25%. The actual rate of return for 2019 was 1.58%, down from 2.39% in 2018. The water rates in effect during 2019 were implemented on November 13, 2019, the sewer and stormwater rates became effective January 1, 2016.

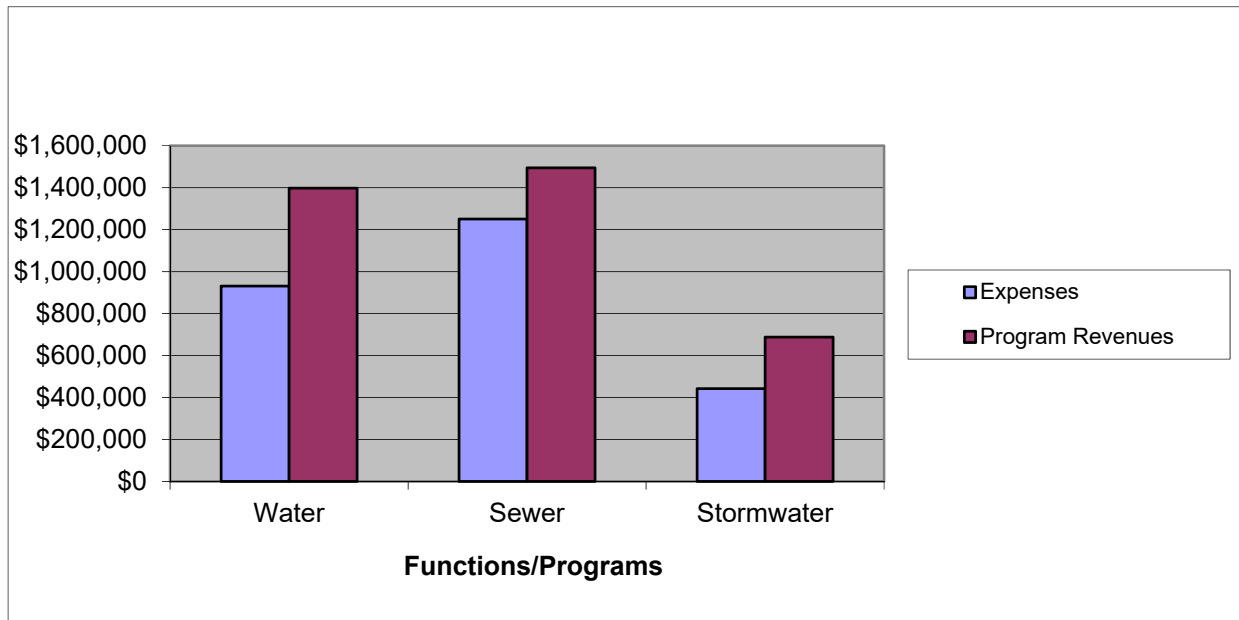
VILLAGE OF MCFARLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
As of and for the Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

BUSINESS-TYPE ACTIVITIES (cont.)

Expenses and Program Revenues – Business-type Activities



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

GOVERNMENTAL FUNDS

The focus of the Village of McFarland's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the village's financing requirement. In particular, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Village of McFarland's governmental funds reported combined ending fund balances of \$7,430,821, up \$562,221 (8.2%) from 2018. Approximately 25% of this total amount (\$1,855,739) constitutes unassigned fund balance, an increase of \$75,861 from 2018. The remainder of the fund balance, \$5,575,082, is reported in the following categories: 1) nonspendable (\$63,473), 2) restricted (\$3,307,595), 3) committed (\$1,154,198), and 4) assigned (\$1,049,816).

VILLAGE OF MCFARLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and for the Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (cont.)

GOVERNMENTAL FUNDS (cont.)

General Fund: The General Fund is the main operating fund of the village. The general fund balance decreased from \$2,929,348 to \$2,874,376, a decrease of \$54,972 (1.9%). This is a result of a decrease in revenues such as permit fees, donations and an increase in transfers made to cover capital expenditures.

General Debt Service Fund: The General Debt Service Fund balance increased \$62,337 from \$837,769 to \$900,106.

Tax Incremental District No. 3 – Capital Projects: The district was created in 2004. The district exists to recover project costs from tax increments over its remaining statutory life. The district encompasses the Terminal Drive and Triangle Street areas which parallel the Highway 51 corridor at the northern end of the village. The district has made and will continue to make needed street, sanitary sewer, and storm water public improvements in the area and provides economic development assistance to stimulate development and redevelopment. Fund balance increased by \$453,778 during the year. This increase is primarily due to TIF increment exceeding expenditures.

Capital Equipment and Projects Fund: This fund is used to account for financial resources to be used for the acquisition or construction of equipment and major facilities. Fund balance decreased by \$389,912 from \$1,436,031 to \$1,046,119. The main reason for the decrease is due to a spend down of debt proceeds.

PROPRIETARY FUNDS

The Village of McFarland's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Water and Sewer Utility: The McFarland Water and Sewer Utility is an enterprise fund of the Village of McFarland. The utility's operating expenses in 2019, excluding depreciation, increased by \$87,039 from \$1,556,858 in 2018 to \$1,643,897 in 2019. Operating revenues of the Utility decreased from \$2,148,047 in 2018 to \$2,214,001 in 2019. The Utility has an unrestricted cash balance of \$3,669,468.

Stormwater Utility: The Stormwater Utility was created July 1, 2008 and is an enterprise fund of the Village of McFarland. Operating expenses in 2019, excluding depreciation, were \$19,160 higher than those in 2018. Operating revenues increased \$5,218 (1%) from the prior year. The unrestricted cash balance at year-end was \$1,005,408.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total expenditures and other financing uses in the General Fund budget for 2019 exceeded the approved budget by \$246,319. The adopted appropriations were \$5,932,000, while the actual expenditures and other financing uses totaled \$6,178,319.

On the revenue side, the actual operating revenues and other financing sources of \$6,123,347 exceeded the final budgeted revenues and other financing sources by \$226,347.

The net operating results for the General Fund budget for 2019 thus generated a net loss of \$54,972.

VILLAGE OF MCFARLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and for the Year Ended December 31, 2019

CAPITAL ASSETS

At the end of 2019, the village had invested a total of \$65,187,822 in capital assets (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, vehicles, library improvements/collection, infrastructure and construction work in progress.

Significant capital asset additions during 2019 included the following:

> Streets	\$ 529,013
> Machinery, equipment, vehicles	1,090,001
> Soccer shelter building	444,369
> Library improvements and collections	95,134
> Water	835,819
> Sewer	291,886
> Stormwater	311,461

CAPITAL ASSETS AT YEAR-END NET OF ACCUMULATED DEPRECIATION

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 14,771,751	\$ 13,927,157	\$ 325,845	\$ 325,845	\$ 15,097,596	\$ 14,253,002
Land improvements	1,520,560	1,443,470	-	-	1,520,560	1,443,470
Buildings	11,696,085	11,251,716	-	-	11,696,085	11,251,716
Machinery and equipment	2,632,182	2,475,474	-	-	2,632,182	2,475,474
Vehicles	4,219,950	3,857,507	-	-	4,219,950	3,857,507
Library improvements/collection	1,296,953	1,209,495	-	-	1,296,953	1,209,495
Intangibles	124,274	124,274	-	-	124,274	124,274
Streets	22,044,167	21,515,154	-	-	22,044,167	21,515,154
Sidewalks	4,641,200	4,465,120	-	-	4,641,200	4,465,120
Water plant	-	-	16,107,770	15,316,573	16,107,770	15,316,573
Sewer plant	-	-	7,255,035	6,963,149	7,255,035	6,963,149
Stormwater	-	-	5,559,278	5,247,817	5,559,278	5,247,817
Construction in progress	495,333	-	-	-	495,333	-
Total Capital Assets	63,442,455	60,269,367	29,247,928	27,853,384	92,690,383	88,122,751
Less: Accumulated depreciation/amortization	(18,314,505)	(16,957,478)	(9,188,056)	(8,611,702)	(27,502,561)	(25,569,180)
Capital Assets – Net of Accumulated Depreciation/Amortization	\$ 45,127,950	\$ 43,311,889	\$ 20,059,872	\$ 19,241,682	\$ 65,187,822	\$ 62,553,571

VILLAGE OF MCFARLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and for the Year Ended December 31, 2019

LONG-TERM DEBT

During 2019, the village issued \$2,685,000 of new debt and \$1,615,000 of debt was retired. A total of \$12,640,000 in general obligation debt for governmental activities was outstanding at the end of 2019, some of which was incurred for future capital projects.

In 2019, the water and sewer utility had \$3,010,000 of general obligation debt outstanding. The stormwater utility had total general obligation debt outstanding of \$515,000.

Under Wisconsin State Statutes, Chapter 67, the Village of McFarland's aggregate general obligation indebtedness may not exceed 5% of the equalized value of taxable property located in the village. The net amount of debt at year-end that was applicable to the statutory limit was \$16,165,000 which was 31% of the maximum allowed of \$52,807,680. \$995,000 (6%) of the general obligation debt was issued to refund the 2018 State Trust Fund Loan for TIF No. 5 and will be repaid from revenue sources other than general property taxes. \$1,690,000 (10%) was issued for the capital projects fund.

VILLAGE OF MCFARLAND'S OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
General obligation bonds and notes payable	\$ 12,640,000	\$ 12,500,000	\$ 3,525,000	\$ 3,355,000	\$ 16,165,000	\$ 15,855,000
Capital lease	53,107	60,270	53,107	60,270	106,214	120,540
Total Outstanding Debt	<u>\$ 12,693,107</u>	<u>\$ 12,560,270</u>	<u>\$ 3,578,107</u>	<u>\$ 3,415,270</u>	<u>\$ 16,271,214</u>	<u>\$ 15,975,540</u>

CURRENTLY KNOWN FACTS / ECONOMIC CONDITIONS

The Village of McFarland is located adjacent to the southeast edge of the City of Madison. This proximity to a major regional commercial center which is the capital of state government and home to the flagship campus of the University of Wisconsin produces a very favorable economic climate and has resulted in steady village growth. The local economy has remained relatively stable even during periods of slowdown in the national economy. The market for existing homes strengthened significantly in 2018, and there are promising signs of increased growth in new residential construction. The local unemployment rate is well below state and federal rates. The village's 2019 population was 8,889.

The property tax base remained relatively stable, despite the challenging real estate market. With the exception of sales of certain distressed properties, sales data showed that properties generally maintained their previous value as the market for sales of existing homes continued to rebound in 2019.

The McFarland Village Board adopted the 2020 budget in November 2019. The budget authorizes General Fund expenditures of \$6,398,250, up 8.5% over the previous year. The combined property tax levy for all funds is \$6,366,250. The General Fund retains unassigned reserves well in excess of the village's policy of maintaining a minimum 20% of budgeted expenditures.

VILLAGE OF MCFARLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and for the Year Ended December 31, 2019

CURRENTLY KNOWN FACTS / ECONOMIC CONDITIONS (cont.)

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States. As of the date above, the Village's evaluation of the effects of these events is ongoing; however, we anticipate this situation could result in declines in investment income, room tax, event and building permits as well as an increase in delinquent taxes and Senior Outreach services.

The extent of the impact of COVID-19 on the Village's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

REQUESTS FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the village's finances. If you have any questions about this report or need any additional information, contact the Village of McFarland, PO Box 110, McFarland, WI 53558-0110 or at (608) 838-3153.

General information relating to the Village of McFarland, Wisconsin, can be found at the village's website, www.mcfarland.wi.us.

VILLAGE OF MCFARLAND

STATEMENT OF NET POSITION As of December 31, 2019

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 7,239,780	\$ 4,674,876	\$ 11,914,656
Receivables (net)			
Taxes	7,757,780	-	7,757,780
Delinquent personal property taxes	4,531	-	4,531
Accounts	360,555	309,331	669,886
Special assessments	-	36,109	36,109
Delinquent special assessments	860	-	860
Loans	252,201	-	252,201
Internal balances	219,928	(219,928)	-
Assets held for resale	306,320	-	306,320
Materials and supplies	-	19,450	19,450
Prepaid items	58,082	-	58,082
Restricted assets			
Cash and investments	68,497	471,155	539,652
Other assets	-	224,112	224,112
Capital Assets (net of accumulated depreciation/amortization)			
Land	14,771,751	325,845	15,097,596
Construction in progress	495,333	-	495,333
Other capital assets	29,860,866	19,734,027	49,594,893
Total Assets	<u>61,396,484</u>	<u>25,574,977</u>	<u>86,971,461</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related amounts	<u>2,325,505</u>	<u>265,758</u>	<u>2,591,263</u>
LIABILITIES			
Accounts payable	369,026	228,926	597,952
Accrued liabilities	254,949	8,587	263,536
Deposits	46,497	5,000	51,497
Due to other governmental units	520	-	520
Noncurrent Liabilities			
Due within one year	1,817,077	587,403	2,404,480
Due in more than one year	11,636,057	3,115,742	14,751,799
Net pension liability	861,622	84,737	946,359
Total Liabilities	<u>14,985,748</u>	<u>4,030,395</u>	<u>19,016,143</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues	7,877,405	-	7,877,405
Pension related amounts	1,176,384	132,298	1,308,682
Total Deferred Inflows of Resources	<u>9,053,789</u>	<u>132,298</u>	<u>9,186,087</u>
NET POSITION			
Net investment in capital assets	34,348,776	16,418,433	49,946,723
Restricted for			
Debt service	781,453	-	781,453
Equipment replacement	-	450,332	450,332
Impact fees	68,497	20,823	89,320
Library	179,957	-	179,957
TIF No. 3	1,681,082	-	1,681,082
Public Canine	48,997	-	48,997
Unrestricted	<u>2,573,690</u>	<u>4,788,454</u>	<u>8,182,630</u>
TOTAL NET POSITION	<u>\$ 39,682,452</u>	<u>\$ 21,678,042</u>	<u>\$ 61,360,494</u>

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 1,155,104	\$ 153,865	\$ 178,417	\$ -
Public safety	3,241,869	873,641	45,286	-
Health and social services	242,177	-	96,946	-
Public works	3,065,311	414,464	440,511	1,210,089
Leisure activities	1,892,912	31,541	383,974	267,027
Conservation and development	947,313	9,777	-	-
Interest and fiscal charges	420,742	-	-	-
Total Governmental Activities	<u>10,965,428</u>	<u>1,483,288</u>	<u>1,145,134</u>	<u>1,477,116</u>
Business-type Activities				
Water and Sewer Utility	2,182,049	2,214,001	-	678,404
Stormwater Utility	442,243	541,241	-	146,778
Total Business-type Activities	<u>2,624,292</u>	<u>2,755,242</u>	<u>-</u>	<u>825,182</u>
Totals	<u>\$ 13,589,720</u>	<u>\$ 4,238,530</u>	<u>\$ 1,145,134</u>	<u>\$ 2,302,298</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for TIF districts

Other taxes

Intergovernmental revenues not restricted to specific programs

Public gifts and grants

Investment income

Gain on disposal of assets

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

NET POSITION - Beginning of Year

NET POSITION - END OF YEAR

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (822,822)	\$ -	\$ (822,822)
(2,322,942)	-	(2,322,942)
(145,231)	-	(145,231)
(1,000,247)	-	(1,000,247)
(1,210,370)	-	(1,210,370)
(937,536)	-	(937,536)
<u>(420,742)</u>	<u>-</u>	<u>(420,742)</u>
<u>(6,859,890)</u>	<u>-</u>	<u>(6,859,890)</u>
-	710,356	710,356
-	<u>245,776</u>	<u>245,776</u>
-	<u>956,132</u>	<u>956,132</u>
<u>(6,859,890)</u>	<u>956,132</u>	<u>(5,903,758)</u>
4,677,000	-	4,677,000
1,414,750	-	1,414,750
964,516	-	964,516
122,281	-	122,281
209,140	-	209,140
20,306	-	20,306
278,767	105,034	383,801
868	-	868
<u>13,998</u>	<u>8,910</u>	<u>22,908</u>
7,701,626	113,944	7,815,570
<u>262,660</u>	<u>(262,660)</u>	<u>-</u>
<u>7,964,286</u>	<u>(148,716)</u>	<u>7,815,570</u>
1,104,396	807,416	1,911,812
<u>38,578,056</u>	<u>20,870,626</u>	<u>59,448,682</u>
<u>\$ 39,682,452</u>	<u>\$ 21,678,042</u>	<u>\$ 61,360,494</u>

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2019

	<u>General</u>	<u>General Debt Service</u>	<u>TIF No. 3 Capital Project</u>
ASSETS			
Cash and investments	\$ 2,695,038	\$ 900,106	\$ 1,087,379
Restricted cash and investments	-	-	-
Receivables (net)			
Ensuing year levy	3,863,869	1,449,500	828,009
Delinquent taxes	4,531	-	-
Accounts	302,676	-	29,953
Delinquent special assessments	860	-	-
Loans	-	-	-
Due from other funds	262,660	-	-
Prepaid items	58,082	-	-
Advances to other funds	<u>-</u>	<u>-</u>	<u>595,001</u>
TOTAL ASSETS	<u>\$ 7,187,716</u>	<u>\$ 2,349,606</u>	<u>\$ 2,540,342</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 165,146	\$ -	\$ 1,298
Accrued liabilities	202,957	-	-
Deposits	46,497	-	-
Due to other governments	520	-	-
Due to other funds	42,732	-	-
Advances from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>457,852</u>	<u>-</u>	<u>1,298</u>
Deferred Inflows of Resources			
Unearned revenues	3,820,500	1,449,500	857,962
Unavailable revenues	<u>34,988</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>3,855,488</u>	<u>1,449,500</u>	<u>857,962</u>
Fund Balance (Deficit)			
Nonspendable	63,473	-	-
Restricted	-	900,106	1,681,082
Committed	40,815	-	-
Assigned	432,653	-	-
Unassigned (deficit)	<u>2,337,435</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>2,874,376</u>	<u>900,106</u>	<u>1,681,082</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 7,187,716</u>	<u>\$ 2,349,606</u>	<u>\$ 2,540,342</u>

See accompanying notes to financial statements.

Capital Equipment and Projects	Nonmajor Governmental Funds	Totals
\$ 1,294,651	\$ 1,262,606	\$ 7,239,780
-	68,497	68,497
320,000	1,296,402	7,757,780
-	-	4,531
-	27,926	360,555
-	-	860
-	252,201	252,201
-	-	262,660
-	-	58,082
-	-	595,001
<u>\$ 1,614,651</u>	<u>\$ 2,907,632</u>	<u>\$ 16,599,947</u>

\$ 158,039	\$ 44,543	\$ 369,026
-	-	202,957
-	-	46,497
-	-	520
-	-	42,732
-	595,001	595,001
<u>158,039</u>	<u>639,544</u>	<u>1,256,733</u>

410,493	1,338,950	7,877,405
-	-	34,988
<u>410,493</u>	<u>1,338,950</u>	<u>7,912,393</u>

-	-	63,473
428,956	297,451	3,307,595
-	1,113,383	1,154,198
617,163	-	1,049,816
-	(481,696)	1,855,739
<u>1,046,119</u>	<u>929,138</u>	<u>7,430,821</u>

<u>\$ 1,614,651</u>	<u>\$ 2,907,632</u>	<u>\$ 16,599,947</u>
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See accompanying notes to financial statements.

VILLAGE OF MCFARLAND

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2019

Total Fund Balances - Governmental Funds	\$ 7,430,821
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.	
Land	14,771,751
Construction in progress	495,333
Other capital assets	48,175,371
Less: Accumulated depreciation	(18,314,505)
Assets held for resale are not reported in funds	306,320
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	34,988
The net pension liability does not relate to current financial resources and is not reported in the governmental funds.	(861,622)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	2,325,505
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(1,176,384)
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(12,640,000)
Compensated absences	(587,803)
Accrued interest	(51,992)
Capital lease payable	(53,107)
Unamortized premium on bonds and notes	<u>(172,224)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 39,682,452</u>

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2019

	General	General Debt Service	TIF No. 3 Capital Project
REVENUES			
Taxes	\$ 3,748,781	\$ 1,414,750	\$ 871,381
Intergovernmental	691,050	-	5,681
Licenses and permits	375,516	-	-
Fines, forfeitures and penalties	107,353	-	-
Public charges for services	374,608	66,661	-
Intergovernmental charges for services	255,709	-	-
Investment income	130,756	39,167	32,992
Miscellaneous revenues	136,664	-	-
Total Revenues	<u>5,820,437</u>	<u>1,520,578</u>	<u>910,054</u>
EXPENDITURES			
Current			
General government	907,136	-	40,962
Public safety	3,369,932	-	-
Health and social services	228,796	-	-
Public works	751,925	-	-
Leisure activities	255,513	-	-
Conservation and development	232,370	-	9,695
Capital Outlay	-	-	-
Debt Service			
Principal retirement	-	1,325,000	260,000
Other interest and fiscal charges	-	321,757	66,406
Total Expenditures	<u>5,745,672</u>	<u>1,646,757</u>	<u>377,063</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>74,765</u>	<u>(126,179)</u>	<u>532,991</u>
OTHER FINANCING SOURCES (USES)			
Debt issued	-	-	-
Debt premium	-	89,595	-
Sale of capital assets	-	-	-
Transfers in	302,910	98,921	-
Transfers out	(432,647)	-	(79,213)
Total Other Financing Sources (Uses)	<u>(129,737)</u>	<u>188,516</u>	<u>(79,213)</u>
Net Change in Fund Balances	(54,972)	62,337	453,778
FUND BALANCES - Beginning of Year	<u>2,929,348</u>	<u>837,769</u>	<u>1,227,304</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,874,376</u>	<u>\$ 900,106</u>	<u>\$ 1,681,082</u>

See accompanying notes to financial statements.

Capital Equipment and Projects	Nonmajor Governmental Funds	Totals
\$ 310,000	\$ 833,635	\$ 7,178,547
-	344,486	1,041,217
-	102,732	478,248
-	-	107,353
-	689,335	1,130,604
-	-	255,709
43,341	32,511	278,767
4,908	74,925	216,497
<u>358,249</u>	<u>2,077,624</u>	<u>10,686,942</u>
-	87,760	1,035,858
-	13,203	3,383,135
-	-	228,796
-	472,113	1,224,038
-	988,623	1,244,136
-	33,402	275,467
2,732,466	36,644	2,769,110
-	960,000	2,545,000
-	72,945	461,108
<u>2,732,466</u>	<u>2,664,690</u>	<u>13,166,648</u>
<u>(2,374,217)</u>	<u>(587,066)</u>	<u>(2,479,706)</u>
1,690,000	995,000	2,685,000
-	2,672	92,267
2,000	-	2,000
292,305	120,634	814,770
-	(40,250)	(552,110)
<u>1,984,305</u>	<u>1,078,056</u>	<u>3,041,927</u>
(389,912)	490,990	562,221
<u>1,436,031</u>	<u>438,148</u>	<u>6,868,600</u>
<u>\$ 1,046,119</u>	<u>\$ 929,138</u>	<u>\$ 7,430,821</u>

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds	\$ 562,221
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	2,769,110
Some items reported as capital outlay in the fund financial statements were not capitalized on the government wide statements	(166,958)
Depreciation is reported in the government-wide financial statements	(1,786,132)
Net book value of assets retired	(149,421)
Land held for resale is reported as an expenditure in the governmental funds when purchased and revenue when sold. However, in the statement of net position, these assets are capitalized at the lower of cost or market and held until the time of sale.	(671,054)
Contributed capital assets are reported as revenues in the government-wide financial statements	1,149,462
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are not recognized as revenue when earned in the government-wide statements.	(111,740)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Debt issued	(2,685,000)
Principal repaid - debt	2,545,000
Principal repaid - capital lease	7,163
Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.	
Debt premium	(89,595)
Amortization of premium	14,942
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	8,545
Accrued interest on debt	22,752
Net pension liability	(1,545,278)
Deferred outflows of resources related to pensions	1,044,701
Deferred inflows of resources related to pensions	185,678
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 1,104,396

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2019

	Business-type Activities - Enterprise Funds		
	Water and Sewer Utility	Stormwater Utility	Totals
ASSETS			
Current Assets			
Cash and investments	\$ 3,095,892	\$ 1,005,408	\$ 4,101,300
Receivables			
Accounts	236,429	72,902	309,331
Due from municipality	42,732	-	42,732
Materials and supplies	19,450	-	19,450
Total Current Assets	<u>3,394,503</u>	<u>1,078,310</u>	<u>4,472,813</u>
Noncurrent Assets			
Restricted Assets			
Replacement account	450,332	-	450,332
Impact fee account	20,823	-	20,823
Capital Assets			
Property and equipment	23,362,805	5,559,278	28,922,083
Land	165,570	160,275	325,845
Less: Accumulated depreciation	(7,246,757)	(1,941,299)	(9,188,056)
Other Assets			
Water tower reserve	494,786	-	494,786
Depreciation reserve	78,790	-	78,790
Special assessment receivable	36,109	-	36,109
Property held for future use	224,112	-	224,112
Total Noncurrent Assets	<u>17,586,570</u>	<u>3,778,254</u>	<u>21,364,824</u>
Total Assets	<u>20,981,073</u>	<u>4,856,564</u>	<u>25,837,637</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related amounts	<u>189,455</u>	<u>76,303</u>	<u>265,758</u>
Total Deferred Outflows of Resources	<u>189,455</u>	<u>76,303</u>	<u>265,758</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds		
	Water and Sewer Utility	Stormwater Utility	Totals
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 222,007	\$ 6,919	\$ 228,926
Customer deposits	5,000	-	5,000
Due to municipality	262,660	-	262,660
Accrued interest	6,471	2,116	8,587
Compensated absences	7,238	2,695	9,933
Current portion of lease	4,980	2,490	7,470
Current portion of general obligation debt	<u>415,000</u>	<u>155,000</u>	<u>570,000</u>
Total Current Liabilities	<u>923,356</u>	<u>169,220</u>	<u>1,092,576</u>
Noncurrent Liabilities			
Long-Term Debt			
General obligation debt	2,595,000	360,000	2,955,000
Unamortized debt premium	60,867	2,465	63,332
Other Liabilities			
Net pension liability	57,937	26,800	84,737
Compensated absences	43,462	8,311	51,773
Lease obligation	<u>30,425</u>	<u>15,212</u>	<u>45,637</u>
Total Noncurrent Liabilities	<u>2,787,691</u>	<u>412,788</u>	<u>3,200,479</u>
Total Liabilities	<u>3,711,047</u>	<u>582,008</u>	<u>4,293,055</u>
DEFERRED INFLOWS OF RESOURCES			
Pension-related amounts	<u>93,253</u>	<u>39,045</u>	<u>132,298</u>
Total Deferred Inflows of Resources	<u>93,253</u>	<u>39,045</u>	<u>132,298</u>
NET POSITION			
Net investment in capital assets	13,175,346	3,243,087	16,418,433
Restricted for			
Equipment replacement	450,332	-	450,332
Impact fees	20,823	-	20,823
Unrestricted net position	<u>3,719,727</u>	<u>1,068,727</u>	<u>4,788,454</u>
TOTAL NET POSITION	<u>\$ 17,366,228</u>	<u>\$ 4,311,814</u>	<u>\$ 21,678,042</u>

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS

For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds		
	Water and Sewer Utility	Stormwater Utility	Totals
OPERATING REVENUES			
Water	\$ 1,095,992	\$ -	\$ 1,095,992
Sewer	1,118,009	-	1,118,009
Stormwater	-	541,241	541,241
Total Operating Revenues	<u>2,214,001</u>	<u>541,241</u>	<u>2,755,242</u>
OPERATING EXPENSES			
Operation and maintenance	1,643,897	294,045	1,937,942
Depreciation	<u>465,984</u>	<u>134,008</u>	<u>599,992</u>
Total Operating Expenses	<u>2,109,881</u>	<u>428,053</u>	<u>2,537,934</u>
Operating Income	<u>104,120</u>	<u>113,188</u>	<u>217,308</u>
NONOPERATING REVENUES (EXPENSES)			
Interest on investments	81,580	23,454	105,034
Interest expense	(56,766)	(14,190)	(70,956)
Debt issuance cost	(15,402)	-	(15,402)
Miscellaneous revenues	-	575	575
Amortization of debt premium	7,256	1,366	8,622
Loss on sale of equipment	<u>(287)</u>	<u>-</u>	<u>(287)</u>
Total Nonoperating Revenues (Expenses)	<u>16,381</u>	<u>11,205</u>	<u>27,586</u>
Income Before Contributions and Transfers	<u>120,501</u>	<u>124,393</u>	<u>244,894</u>
CONTRIBUTIONS AND TRANSFERS			
Capital contributions	678,404	146,778	825,182
Transfers - tax equivalent	<u>(262,660)</u>	<u>-</u>	<u>(262,660)</u>
Total Contributions and Transfers	<u>415,744</u>	<u>146,778</u>	<u>562,522</u>
Change in Net Position	<u>536,245</u>	<u>271,171</u>	<u>807,416</u>
NET POSITION - Beginning of Year	<u>16,829,983</u>	<u>4,040,643</u>	<u>20,870,626</u>
NET POSITION - END OF YEAR	<u><u>\$ 17,366,228</u></u>	<u><u>\$ 4,311,814</u></u>	<u><u>\$ 21,678,042</u></u>

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds		
	Water and Sewer Utility	Stormwater Utility	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 1,911,395	\$ 542,862	\$ 2,454,257
Received from village for services	325,092	-	325,092
Paid to suppliers for goods and services	(1,533,519)	(202,376)	(1,735,895)
Paid to employees for services	(103,537)	(103,537)	(207,074)
Net Cash Flows From Operating Activities	<u>599,431</u>	<u>236,949</u>	<u>836,380</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	81,580	23,454	105,034
Net Cash Flows From Investing Activities	<u>81,580</u>	<u>23,454</u>	<u>105,034</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Debt retired	(404,775)	(152,388)	(557,163)
Interest paid	(54,778)	(14,190)	(68,968)
Net premium and issuance costs	28,793	-	28,793
Proceeds from debt issue	720,000	-	720,000
Acquisition and construction of capital assets	(701,008)	(181,791)	(882,799)
Capital contributions received	251,708	17,108	268,816
Net Cash Flows From Capital and Related Financing Activities	<u>(160,060)</u>	<u>(331,261)</u>	<u>(491,321)</u>
Net Change in Cash and Cash Equivalents	520,951	(70,858)	450,093
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>3,619,672</u>	<u>1,076,266</u>	<u>4,695,938</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 4,140,623</u>	<u>\$ 1,005,408</u>	<u>\$ 5,146,031</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds		
	Water and Sewer Utility	Stormwater Utility	Totals
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 104,120	\$ 113,188	\$ 217,308
Nonoperating revenue	-	575	575
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities			
Depreciation	465,984	134,008	599,992
Depreciation charged to other funds	20,696	-	20,696
Changes in assets, deferred outflows, liabilities, and deferred inflows			
Accounts receivable	3,420	746	4,166
Other receivables	812	300	1,112
Accrued wages	-	(23,570)	(23,570)
Other current liabilities	-	(588)	(588)
Compensated absences	(14,533)	-	(14,533)
Due from municipality	(2,442)	-	(2,442)
Pension-related amounts	22,058	9,511	31,569
Accounts payable	(684)	2,779	2,095
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 599,431</u>	<u>\$ 236,949</u>	<u>\$ 836,380</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS			
Cash and investments	\$ 3,095,892	\$ 1,005,408	\$ 4,101,300
Restricted cash and investments			
Replacement account	450,332	-	450,332
Other assets			
Impact fee account	20,823	-	20,823
Water tower reserve	494,786	-	494,786
Depreciation reserve	78,790	-	78,790
CASH AND CASH EQUIVALENTS	<u>\$ 4,140,623</u>	<u>\$ 1,005,408</u>	<u>\$ 5,146,031</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Amortization of debt premium	\$ 7,265	\$ 1,366	
Loss on sale of asset	\$ 287	\$ -	
Developer financed additions to plant	\$ 426,696	\$ 129,670	

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND

STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUND As of December 31, 2019

	Tax Collection Fund
ASSETS	
Cash and investments	\$ 13,129,714
Taxes	<u>2,008,668</u>
Total Assets	<u>15,138,382</u>
LIABILITIES	
Due to other governments	<u>15,138,382</u>
Total Liabilities	<u>15,138,382</u>
NET POSITION	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUND

For the Year Ended December 31, 2019

	Tax Collection Fund
ADDITIONS	
Property taxes collected for other governments	\$ 10,617,938
Total Additions	<u>10,617,938</u>
DEDUCTIONS	
Property taxes distributed to other governments	<u>10,617,938</u>
Total Deductions	<u>10,617,938</u>
Change in Fiduciary Net Position	-
NET POSITION - Beginning of Year	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND

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VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of McFarland, Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the village. The reporting entity for the village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The village has not identified any organizations that meet this criteria.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In January 2017, the GASB issued statement No. 84 - *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This standard was implemented January 1, 2019.

In March 2018, the GASB issued statement No. 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. This standard was implemented January 1, 2019.

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The village does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements

Financial statements of the village are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the village or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the village believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The village reports the following major governmental funds:

- General Fund - accounts for the village's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- General Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of general long-term debt principal, interest, and related costs, other than TIF or enterprise debt.
- TIF No. 3 Capital Project Fund - accounts for expenditures outlined in the Tax Incremental Financing (TIF) District project plan and related revenues and proceeds from long-term borrowing.
- Capital Equipment and Projects - accounts for financial resources to be used for the acquisition or construction of equipment and/or major facilities.

The village reports the following major enterprise funds:

- Water and Sewer Utility - accounts for operations of the water and sewer system
- Stormwater Utility - accounts for operations of the stormwater system

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The village reports the following nonmajor governmental funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Cable
Parks
Youth Center
Canine

Library
Solid Waste
Employee Retirement

Capital Projects Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

TIF No. 4

TIF No. 5

In addition, the village reports the following fund type:

Custodial Fund - used to account for and report assets controlled by the village and the assets are for the benefit of individuals, private organizations, and/or other governmental units.

Tax Collection Fund

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Government-Wide Financial Statements (cont.)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the village's water, sewer and stormwater and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the village is entitled the resources and the amounts are available. Amounts owed to the village which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. Delinquent special assessments being held for collection by the county are reported as receivables and nonspendable fund balance in the general fund.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer utility and stormwater utility are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of village funds is restricted by Wisconsin state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

The village has adopted an investment policy. As described in Note III.A., the village is exposed to the following deposit and investment risks: custodial credit risk and credit risk. The village's investment policy addresses each of these risks in the following manner:

Custodial Credit Risk - The village's investment policy addresses custodial credit risk by limiting all checking, savings, certificates of deposit, money market, and overnight sweeps to be covered by FDIC, state guarantee fund, other insurance agreements, or are fully collateralized. Refer to Note III.A. for compliance.

Credit Risk - The village's investment policy addresses credit risk by limiting investments to state statute allowable investments.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2019, the fair value of the village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III. A. for further information.

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the village, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of fiduciary net position.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Receivables (cont.)

Property tax calendar - 2019 tax roll:

Lien date and levy date	December 2019
Tax bills mailed	December 2019
Payment in full, or	January 31, 2020
First installment due	January 31, 2020
Second installment due	July 31, 2020
Personal property taxes in full	January 31, 2020
Tax sale - 2019 delinquent real estate taxes	October 2022

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water, sewer and stormwater utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

3. Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$10,000 for general capital assets and \$10,000 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	40-85 Years
Land Improvements	15-40 Years
Machinery and Equipment	4-35 Years
Utility System	4-100 Years
Infrastructure	30-50 Years
Vehicles	4-35 Years
Library Improvements and Collection	10-20 Years
Intangibles	10-20 Years

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

5. Capital Assets (cont.)

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

6. Other Assets

Other assets in the proprietary funds represent preliminary survey and investigation, property held for future use, cash and a long-term receivable.

7. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

8. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2019, are determined on the basis of current salary rates and include salary related payments.

9. Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

9. Long-Term Obligations/Conduit Debt (cont.)

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

10. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

11. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by the debt of the governmental activities column. The amount is a reduction of "net investment in capital assets", and an increase in "unrestricted" net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$ 34,348,776	\$ 16,418,433	\$ (820,486)	\$ 49,946,723
Unrestricted	2,573,690	4,788,454	820,486	8,182,630

When both restricted and unrestricted resources are available for use, it is the village's policy to use restricted resources first, then unrestricted resources as they are needed.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

11. Equity Classifications (cont.)

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Village Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village Board that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Board may take official action to assign amounts. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the village would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The village has a formal minimum fund balance policy. That policy is to maintain a working capital fund of 20% of the subsequent years budgeted general fund expenditures, with a targeted maximum of 25%. The balance at year end was \$2,337,435 or 36%, and is included in unassigned general fund balance.

See Note III. H. for further information.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

12. Pension

For purposes of measuring the net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13. Basis for Existing Rates

Water

Current water rates became effective on November 13, 2019. The authorized rate of return is 7.25%

Sewer

Current sewer rates were approved by the village board on December 28, 2015 and implemented on January 1, 2016.

Stormwater

Current stormwater utility rates were approved by the village board on December 28, 2015 and implemented on January 1, 2016.

14. Assets Held for Resale

Land held for resale consists of land and land improvements and is valued at cost of acquisition, demolition, and site improvements. Properties include both land intended for resale and land designated as a public area. Land held for resale is recorded at lower of cost or market value.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. EXCESS EXPENDITURES OVER APPROPRIATIONS

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
General	\$ 5,932,000	\$ 6,178,319	\$ 246,319
General debt service	1,610,750	1,646,757	36,007
TIF No. 5 capital project	30,500	1,047,842	1,017,342

The village controls expenditures at the function level. Some individual functions experienced expenditures which exceeded appropriations. The detail of those items can be found in the village's year-end budget to actual report.

B. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2019, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
TIF No. 4 capital project	\$ 334,061	Excess expenditures over appropriations
TIF No. 5 capital project	147,635	Excess expenditures over appropriations

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases.

C. LIMITATIONS ON THE VILLAGE'S TAX LEVY

Wisconsin law limits the village's future tax levies. Generally the village is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the village's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The village is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The village's deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 15,753,961	\$ 14,871,448	Custodial credit risk
LGIP	9,829,614	9,810,807	Credit risk
Petty cash	447	-	N/A
Total Deposits and Investments	<u>\$ 25,584,022</u>	<u>\$ 24,682,255</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 11,914,656		
Restricted cash and investments	539,652		
Per statement of assets and liabilities -			
agency fund			
Tax collection fund	<u>13,129,714</u>		
Total Deposits and Investments	<u>\$ 25,584,022</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

The village maintains collateral agreements with its banks. At December 31, 2019, the banks had pledged various government securities in the amount of \$14,530,918 to secure the village's deposits.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the village's deposits may not be returned to the village.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk (cont.)

Deposits (cont.)

As of December 31, 2019, \$80,036 of the village's total bank balance was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 80,036
Total	<u>\$ 80,036</u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The village had investments in the external Wisconsin Local Government Investment Pool which is not rated.

See Note I.D.1. for further information on deposit and investment policies.

B. RECEIVABLES

All receivable balances are expected to be collected within one year with the exception of: delinquent property taxes (\$4,531), delinquent special assessments (\$860), and loans receivable (\$252,201). Receivables in the general fund are reported net of uncollectible ambulance receivables in the amount of \$71,237.

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 7,714,411	\$ -
Accounts receivable	-	34,988
Youth center revenue	40,250	-
Loans not yet due	2,298	-
Developer payments	<u>120,446</u>	<u>-</u>
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 7,877,405</u>	<u>\$ 34,988</u>

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Equipment Replacement Account

The sewer utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Impact Fee Account

The village has received impact fees which must be spent in accordance with the local ordinance and state statutes. Any unspent funds must be refunded to the current property owner.

Following is a list of restricted assets at December 31, 2019:

	Restricted Assets
Replacement account	\$ 450,332
Impact fee account	<u>89,320</u>
Total	<u><u>\$ 539,652</u></u>

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated/amortized				
Land	\$ 13,927,157	\$ 844,594	\$ -	\$ 14,771,751
Construction in progress	<u>-</u>	<u>495,333</u>	<u>-</u>	<u>495,333</u>
Total Capital Assets Not Being Depreciated/Amortized	<u>13,927,157</u>	<u>1,339,927</u>	<u>-</u>	<u>15,267,084</u>

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities (cont.)				
Capital assets being depreciated/amortized				
Land improvements	\$ 1,443,470	\$ 77,090	\$ -	\$ 1,520,560
Buildings	11,251,716	444,369	-	11,696,085
Machinery and equipment	2,475,474	326,968	170,260	2,632,182
Streets	21,515,154	529,013	-	22,044,167
Sidewalks	4,465,120	176,080	-	4,641,200
Vehicles	3,857,507	763,033	400,590	4,219,950
Library improvements and collection	1,209,495	95,134	7,676	1,296,953
Intangibles	124,274	-	-	124,274
Total Capital Assets Being Depreciated/Amortized	<u>46,342,210</u>	<u>2,411,687</u>	<u>578,526</u>	<u>48,175,371</u>
Total Capital Assets	<u>60,269,367</u>	<u>3,751,614</u>	<u>578,526</u>	<u>63,442,455</u>
Less: Accumulated depreciation/amortization for				
Land improvements	(389,711)	(58,482)	-	(448,193)
Buildings	(2,013,517)	(147,329)	-	(2,160,846)
Machinery and equipment	(922,603)	(179,313)	153,234	(948,682)
Streets	(8,124,061)	(616,977)	-	(8,741,038)
Sidewalks	(3,115,284)	(141,845)	-	(3,257,129)
Vehicles	(1,725,852)	(559,009)	268,195	(2,016,666)
Library improvements and collection	(642,609)	(76,612)	7,676	(711,545)
Intangibles	(23,841)	(6,565)	-	(30,406)
Total Accumulated Depreciation/Amortization	<u>(16,957,478)</u>	<u>(1,786,132)</u>	<u>429,105</u>	<u>(18,314,505)</u>
Net Capital Assets Being Depreciated/Amortized	<u>29,384,732</u>	<u>625,555</u>	<u>149,421</u>	<u>29,860,866</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation/Amortization	<u>\$ 43,311,889</u>	<u>\$ 1,965,482</u>	<u>\$ 149,421</u>	<u>\$ 45,127,950</u>

Depreciation/amortization expense was charged to functions as follows:

Governmental Activities

General government	\$ 113,162
Public safety	313,278
Public works, which includes the depreciation of infrastructure	1,110,403
Leisure activities	<u>249,289</u>
Total Governmental Activities Depreciation/Amortization Expense	<u>\$ 1,786,132</u>

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water</u>				
Capital assets not being depreciated				
Land and land rights	\$ 87,550	\$ -	\$ -	\$ 87,550
Total Capital Assets Not Being Depreciated	<u>87,550</u>	<u>-</u>	<u>-</u>	<u>87,550</u>
Capital assets being depreciated				
Source of supply	211,239	-	-	211,239
Pumping	357,710	-	-	357,710
Water treatment	4,498	-	-	4,498
Transmission and distribution	14,316,916	780,397	44,622	15,052,691
General	<u>426,210</u>	<u>55,422</u>	<u>-</u>	<u>481,632</u>
Total Capital Assets Being Depreciated	<u>15,316,573</u>	<u>835,819</u>	<u>44,622</u>	<u>16,107,770</u>
Total Capital Assets	<u>15,404,123</u>	<u>835,819</u>	<u>44,622</u>	<u>16,195,320</u>
Less: Accumulated depreciation for				
Water	<u>(4,521,588)</u>	<u>(335,816)</u>	<u>44,622</u>	<u>(4,812,782)</u>
Total Accumulated Depreciation	<u>(4,521,588)</u>	<u>(335,816)</u>	<u>44,622</u>	<u>(4,812,782)</u>
Net Capital Assets Being Depreciated	<u>10,794,985</u>	<u>500,003</u>	<u>-</u>	<u>11,294,988</u>
Net Water Capital Assets	<u>\$ 10,882,535</u>	<u>\$ 500,003</u>	<u>\$ -</u>	<u>\$ 11,382,538</u>

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Sewer</u>				
Capital assets not being depreciated				
Land and land rights	\$ 78,020	\$ -	\$ -	\$ 78,020
Total Capital Assets Not Being Depreciated	<u>78,020</u>	<u>-</u>	<u>-</u>	<u>78,020</u>
Capital assets being depreciated				
Collecting system	5,589,066	236,464	-	5,825,530
Collecting system pumping	1,043,088	-	-	1,043,088
General	<u>330,995</u>	<u>55,422</u>	<u>-</u>	<u>386,417</u>
Total Capital Assets Being Depreciated	<u>6,963,149</u>	<u>291,886</u>	<u>-</u>	<u>7,255,035</u>
Total Capital Assets	<u>7,041,169</u>	<u>291,886</u>	<u>-</u>	<u>7,333,055</u>
Less: Accumulated depreciation for				
Collecting system pumping	(102,137)	-	-	(102,137)
Sewer	<u>(2,180,686)</u>	<u>(151,152)</u>	<u>-</u>	<u>(2,331,838)</u>
Total Accumulated Depreciation	<u>(2,282,823)</u>	<u>(151,152)</u>	<u>-</u>	<u>(2,433,975)</u>
Net Capital Assets Being Depreciated	<u>4,680,326</u>	<u>140,734</u>	<u>-</u>	<u>4,821,060</u>
Net Sewer Capital Assets	<u>\$ 4,758,346</u>	<u>\$ 140,734</u>	<u>\$ -</u>	<u>\$ 4,899,080</u>

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Stormwater</u>				
Capital assets not being depreciated				
Land and land rights	\$ 160,275	\$ -	\$ -	\$ 160,275
Total Capital Assets Not Being Depreciated	<u>160,275</u>	<u>-</u>	<u>-</u>	<u>160,275</u>
Capital assets being depreciated				
Stormwater	<u>5,247,817</u>	<u>311,461</u>	<u>-</u>	<u>5,559,278</u>
Total Capital Assets Being Depreciated	<u>5,247,817</u>	<u>311,461</u>	<u>-</u>	<u>5,559,278</u>
Total Capital Assets	<u>5,408,092</u>	<u>311,461</u>	<u>-</u>	<u>5,719,553</u>
Less: Accumulated depreciation for				
Stormwater	<u>(1,807,291)</u>	<u>(134,008)</u>	<u>-</u>	<u>(1,941,299)</u>
Total Accumulated Depreciation	<u>(1,807,291)</u>	<u>(134,008)</u>	<u>-</u>	<u>(1,941,299)</u>
Net Capital Assets Being Depreciated	<u>3,440,526</u>	<u>177,453</u>	<u>-</u>	<u>3,617,979</u>
Net Stormwater Capital Assets	<u>\$ 3,600,801</u>	<u>\$ 177,453</u>	<u>\$ -</u>	<u>\$ 3,778,254</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 19,241,682</u>	<u>\$ 818,190</u>	<u>\$ -</u>	<u>\$ 20,059,872</u>

Depreciation/amortization expense was charged to functions as follows:

Business-type Activities

Water	\$ 314,832
Sewer	151,152
Stormwater	<u>134,008</u>
Total Business-type Activities Depreciation Expense	<u>\$ 599,992</u>

Depreciation expense may be different from business-type activity accumulated depreciation additions because of joint metering, salvage, cost of removal, internal allocations, or costs associated with the disposal of assets.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
Water and sewer utility	General fund	\$ 42,732
General fund	Water and sewer utility	<u>262,600</u>
Total - Fund Financial Statements		305,332
Less: Government-wide eliminations		<u>(85,464)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ 219,868</u>
Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 262,600
Business-type Activities	Governmental Activities	<u>(42,732)</u>
Total Government-Wide Financial Statements		<u>\$ 219,868</u>

All amounts are due within one year.

The principal purpose of this interfund is for utility items placed on the tax roll and the tax equivalent.

Advances

TIF No. 3 capital project fund is advancing funds to TIF No. 4 capital project fund. The amount advanced is determined by the deficiency of revenues over expenditures and other financing uses. TIF No. 3 capital project fund is charging interest on the 2017 advance based on the average outstanding advance balance during the year at a floating interest rate. The interest rate charged during 2019 was 0.45%. A repayment schedule was established in 2017 for a portion of the advance. An additional amount (\$43,763) was advanced in 2018. TIF No. 3 is also advancing funds to TIF No. 5. The amount advanced is determined by the amount of deficit cash as of December 31, 2019. No repayment schedule has been established for the TIF No. 5 advance.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Advances (cont.)

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
TIF No. 3 capital projects	TIF No. 4 capital projects	\$ 403,603	\$ 353,943
TIF No. 3 capital projects	TIF No. 4 capital projects	43,763	43,763
TIF No. 3 capital projects	TIF No. 5 capital projects	<u>147,635</u>	147,635
Total - Fund Financial Statements		595,001	
Less: Fund eliminations		<u>(595,001)</u>	
Total - Interfund Advances - Government-Wide Statement of Net Position		<u>\$ -</u>	

The principal purpose of this advance is to make up for excess expenditures over revenues.

Years	Principal	Interest
2020	\$ 49,660	\$ 1,820
2021	49,883	1,596
2022	50,108	1,371
2023	50,334	1,145
2024	50,561	918
2025-2027	<u>153,057</u>	<u>1,383</u>
Totals	<u>\$ 403,603</u>	<u>\$ 8,233</u>

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General fund	Water and sewer utility	\$ 262,660	2019 Water PILOT
General fund	Youth center	40,250	Reimburse for youth center costs incurred by general fund
TIF #4	TIF #3	79,213	Transfer from donor district TIF #3 to donee district TIF #4 per amendment to project plan
Debt service fund	General fund	98,921	To transfer funds from developers
Other capital projects fund	General fund	292,305	Reimburse capital costs incurred by capital project fund
Canine fund	General fund	<u>41,421</u>	Initial transfer of cash restricted for canine use to create the canine special revenue fund
Total - Fund Financial Statements		814,770	
Less: Fund eliminations		<u>(552,110)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 262,660</u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 11,570,000	\$ 2,685,000	\$ 1,615,000	\$ 12,640,000	\$ 1,740,000
General obligation notes from direct borrowings and direct placements	930,000	-	930,000	-	-
(Discounts)/Premiums	97,571	89,595	14,942	172,224	20,542
Sub-totals	<u>12,597,571</u>	<u>2,774,595</u>	<u>2,559,942</u>	<u>12,812,224</u>	<u>1,760,542</u>
Other Liabilities					
Vested compensated absences	596,348	47,030	55,575	587,803	49,065
Capital leases	60,270	-	7,163	53,107	7,470
Total Other Liabilities	<u>656,618</u>	<u>47,030</u>	<u>62,738</u>	<u>640,910</u>	<u>56,535</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 13,254,189</u>	<u>\$ 2,821,625</u>	<u>\$ 2,622,680</u>	<u>\$ 13,453,134</u>	<u>\$ 1,817,077</u>
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 3,355,000	\$ 720,000	\$ 550,000	\$ 3,525,000	\$ 570,000
(Discounts)/Premiums	27,759	44,195	8,622	63,332	-
Sub-totals	<u>3,382,759</u>	<u>764,195</u>	<u>558,622</u>	<u>3,588,332</u>	<u>570,000</u>
Other Liabilities					
Vested compensated absences	100,397	3,290	41,981	61,706	9,933
Capital leases	60,270	-	7,163	53,107	7,470
Total Other Liabilities	<u>160,667</u>	<u>3,290</u>	<u>49,144</u>	<u>114,813</u>	<u>17,403</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 3,543,426</u>	<u>\$ 767,485</u>	<u>\$ 607,766</u>	<u>\$ 3,703,145</u>	<u>\$ 587,403</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the village may not exceed 5% of the equalized value of taxable property within the village's jurisdiction. The debt limit as of December 31, 2019, was \$52,807,680. Total general obligation debt outstanding at year end was \$16,165,000.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

Governmental Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
G.O. refunding bonds	12/15/08	12/01/23	4.50-4.875%	\$ 1,415,000	\$ 1,155,000
State trust fund loan	03/25/08	03/15/20	2.30%	640,000	140,000
G.O. promissory notes	06/23/15	12/01/24	1.75-2.15%	2,460,000	1,775,000
G.O. refunding bonds	11/07/16	12/01/20	2.00-2.25%	1,710,000	220,000
G.O. promissory notes	07/20/17	12/01/26	2.00-2.25%	3,620,000	3,260,000
G.O. Promissory Note	06/21/18	12/01/27	3.00%	3,550,000	3,405,000
G.O. Promissory Note	07/22/19	12/01/28	2.00-3.00%	1,690,000	1,690,000
G.O. refunding bonds	07/22/19	04/01/38	2.10-3.05%	995,000	<u>995,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 12,640,000</u>

Business-type Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
G.O. promissory notes	12/01/11	09/01/21	2.00-2.50%	\$ 875,000	\$ 190,000
G.O. promissory notes	06/23/15	12/01/24	1.75-2.15%	2,995,000	1,940,000
G.O. promissory notes	07/20/17	12/01/25	2.00-2.25%	845,000	675,000
G.O. Promissory Note	07/22/19	12/01/28	2.00-3.00%	720,000	<u>720,000</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 3,525,000</u>

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2020	\$ 1,740,000	\$ 357,941	\$ 570,000	\$ 83,250
2021	1,535,000	293,254	660,000	64,983
2022	1,615,000	249,648	575,000	51,093
2023	2,030,000	205,948	480,000	39,715
2024	1,030,000	161,422	620,000	27,915
2025-2029	4,110,000	314,003	620,000	31,550
2030-2034	305,000	65,400	-	-
2035-2038	275,000	16,988	-	-
Totals	<u>\$ 12,640,000</u>	<u>\$ 1,664,604</u>	<u>\$ 3,525,000</u>	<u>\$ 298,506</u>

Capital Leases

Refer to Note III. G.

Other Debt Information

Estimated payments of compensated absences and the lease payable are not included in the debt service requirement schedules. The compensated absences liability and the net pension liability attributable to governmental activities will be liquidated primarily by the general fund.

See Note IV. for the net pension liability (asset) information.

Current Refunding

On July 22, 2019, the village issued \$995,000 in general obligation bonds with an average coupon rate of 2.63% to refund \$930,000 of an outstanding state trust fund loan with an average coupon rate of 4.75%. The net proceeds along with existing funds of the village were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding was \$1,460,176 from 2020 through 2038. The cash flow requirements on the refunding bonds are \$1,317,305 from 2020 through 2038. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$142,871.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. LEASE DISCLOSURES

Lessee - Capital Leases

In 2017 the Village acquired capital assets through a lease/purchase agreement. The gross amount of these assets under capital leases is \$213,349, which are included in capital assets in the governmental and business-type activities. The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2019, are as follows:

Years	Governmental Activities			Business-type Activities		
	Principal	Interest	Totals	Principal	Interest	Totals
2020	\$ 7,470	\$ 2,088	\$ 9,558	\$ 7,470	\$ 2,088	\$ 9,558
2021	<u>45,637</u>	<u>160</u>	<u>45,797</u>	<u>45,637</u>	<u>160</u>	<u>45,797</u>
Totals	<u>\$ 53,107</u>	<u>\$ 2,248</u>	<u>\$ 55,355</u>	<u>\$ 53,107</u>	<u>\$ 2,248</u>	<u>\$ 55,355</u>

H. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2019, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 14,771,751
Construction in progress	495,333
Other capital assets, net of accumulated depreciation/amortization	29,860,866
Less: Long-term capital debt outstanding	(11,208,130)
Plus: Unspent capital related debt proceeds	<u>428,956</u>
Total Net Investment in Capital Assets	<u>\$ 34,348,776</u>

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2019, include the following:

	General Fund	General Debt Service	TIF No. 3 Capital Projects	Capital Equipment and Projects	Nonmajor Funds	Totals
Fund Balances						
Nonspendable:						
Delinquent taxes and specials	\$ 5,391	\$ -	\$ -	\$ -	\$ -	\$ 5,391
Prepaid items	58,082	-	-	-	-	58,082
Sub-total	63,473	-	-	-	-	63,473
Restricted for:						
Debt service	-	900,106	-	-	-	900,106
TIF related purposes	-	-	1,681,082	-	-	1,681,082
Capital projects - unspent proceeds	-	-	-	428,956	-	428,956
Library purposes	-	-	-	-	179,957	179,957
Canine costs	-	-	-	-	48,997	48,997
Impact fees	-	-	-	-	68,497	68,497
Sub-total	-	900,106	1,681,082	428,956	297,451	3,307,595
Committed to:						
Youth center	-	-	-	-	2,751	2,751
Employee retirement	-	-	-	-	137,690	137,690
EAB response/tree planting	40,815	-	-	-	-	40,815
Cable TV	-	-	-	-	90,205	90,205
Solid waste	-	-	-	-	201,149	201,149
Parks	-	-	-	-	681,588	681,588
Sub-total	40,815	-	-	-	1,113,383	1,154,198
Assigned to:						
General capital projects	-	-	-	95,744	-	95,744
Carryovers	25,000	-	-	-	-	25,000
PILOT	262,660	-	-	-	-	262,660
Developer capital project deposits	103,228	-	-	-	-	103,228
Outreach	9,969	-	-	-	-	9,969
Vehicle replacement	-	-	-	54,796	-	54,796
Police grants	14,202	-	-	-	-	14,202
Act 102	10,588	-	-	-	-	10,588
Election equipment	7,006	-	-	-	-	7,006
Property	-	-	-	40,000	-	40,000
Facilities	-	-	-	426,623	-	426,623
Sub-total	432,653	-	-	617,163	-	1,049,816
Unassigned (deficit):	2,337,435	-	-	-	(481,696)	1,855,739
Total Fund Balances (Deficit)	<u>\$ 2,874,376</u>	<u>\$ 900,106</u>	<u>\$ 1,681,082</u>	<u>\$ 1,046,119</u>	<u>\$ 929,138</u>	<u>\$ 7,430,821</u>

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 325,845
Other capital assets, net of accumulated depreciation	19,734,027
Less: Long-term debt outstanding	(3,578,107)
Less: Unamortized debt premium	(63,332)
Total Net Investment in Capital Assets	<u>16,418,433</u>
Restricted	
Equipment replacement	450,332
Impact fee	20,823
Total Restricted	<u>471,155</u>
Unrestricted	<u>4,788,454</u>
Total Business-type Activities Net Position	<u>\$ 21,678,042</u>

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their average earnings, and creditable service.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Final average earnings is the average of the participant's three highest annual earnings period. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

Post-retirement adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable Fund Adjustment
2009	(2.1)%	(42.0)%
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$290,212 in contributions from the village.

Contribution rates for the plan year reported as of December 31, 2019 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the village reported a liability of \$946,359 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The village's proportion of the net pension liability was based on the village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the village's proportion was 0.02660430%, which was an increase of 0.00134087% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the village recognized pension expense of \$640,403.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

At December 31, 2019, the village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 737,071	\$ 1,302,873
Changes in assumptions	159,521	-
Net differences between projected and actual earnings on pension plan investments	1,382,094	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,886	5,809
Employer contributions subsequent to the measurement date	303,691	-
Totals	<u>\$ 2,591,263</u>	<u>\$ 1,308,682</u>

\$303,691 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2020	\$ 358,260
2021	89,179
2022	153,348
2023	378,103

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset):	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*:	1.9%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The Total Pension Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Long-term expected return on plan assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49%	8.1%	5.5%
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7
<u>Variable Fund Asset Class</u>			
U.S Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Single discount rate. A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a long term bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sensitivity of the village's proportionate share of the net pension liability to changes in the discount rate. The following presents the village's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the village's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Village's proportionate share of the net pension liability	\$3,760,933	\$946,359	\$(1,146,493)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

At December 31, 2019, the village reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

B. RISK MANAGEMENT

The village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the village is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the village attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the village's financial position or results of operations.

The village has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

D. TAX ABATEMENT

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The village is disclosing all abatement agreements individually.

The village through its Tax Incremental Financing Districts (TID) Nos. 3 and 4 has entered into tax abatement agreements with a developers in the form of tax incremental financing incentive payments to stimulate economic development. The abatements are authorized through the TID project plans. The developers pay property taxes as they become due, and after meeting the criteria established in the development agreements, are entitled to future incentive payments that directly correlate to the taxes paid.

Agreement Description	Calculation Method	Developer Commitment	2019 Payments
Farwell Place LLC Development Agreement	Excess Increment	Developer guarantees value set by agreement, 75% of tax payment goes towards loan retirement	\$ -
84 Lumber Development Agreement	Excess Increment	Developer guarantees value set by agreement, 50% of tax payment goes towards loan retirement	-
Waubesa Village Development Agreement - Phase 1	Excess Increment	Developer guarantees value set by agreement, 65% of tax payment goes towards loan retirement	-
High Track Development Agreement	Excess Increment	Developer guarantees value set by agreement, 50% of tax payment goes towards loan retirement	-
Spartan Properties Development Agreement	Excess Increment	Developer guarantees value set by agreement, 50% of tax payment goes towards loan retirement	-
Hillcrest Rental LLC Development Agreement	Excess Increment	Developer guarantees value set by agreement, 100% of tax payment goes towards loan retirement	-
Waubesa Village Development Agreement - Phase 2	Excess Increment	Developer guarantees value set by agreement, 65% of tax payment goes towards loan retirement	9,200
The Atwater, LLC & Lakesonte, LLC Developer Agreement	Excess Increment	Developer guarantees value set by agreement, 100% of tax payment goes toward loan retirement	-
Ezra Properties, LLC Agreement	Excess Increment	Developer guarantees value set by agreement, 100% of tax payment goes toward loan retirement	-

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

E. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- > Statement No. 87, *Leases*
- > Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- > Statement No. 91, *Conduit Debt Obligations*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF MCFARLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,738,250	\$ 3,738,250	\$ 3,748,781	\$ 10,531
Intergovernmental	674,250	674,250	691,050	16,800
Licenses and permits	337,500	337,500	375,516	38,016
Fines, forfeitures and penalties	89,000	89,000	107,353	18,353
Public charges for services	313,250	313,250	374,608	61,358
Intergovernmental charges for services	256,750	256,750	255,709	(1,041)
Investment income	40,000	40,000	130,756	90,756
Miscellaneous revenues	147,750	147,750	136,664	(11,086)
Total Revenues	<u>5,596,750</u>	<u>5,596,750</u>	<u>5,820,437</u>	<u>223,687</u>
EXPENDITURES				
Current				
General government	870,000	870,000	907,136	(37,136)
Public safety	3,390,000	3,390,000	3,369,932	20,068
Health and social services	241,750	241,750	228,796	12,954
Public works	861,000	861,000	751,925	109,075
Leisure activities	356,500	356,500	255,513	100,987
Conservation and development	212,750	212,750	232,370	(19,620)
Total Expenditures	<u>5,932,000</u>	<u>5,932,000</u>	<u>5,745,672</u>	<u>186,328</u>
Excess (deficiency) of revenues over expenditures	<u>(335,250)</u>	<u>(335,250)</u>	<u>74,765</u>	<u>410,015</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	300,250	300,250	302,910	2,660
Transfers out	-	-	(432,647)	(432,647)
Total Other Financing Sources (Uses)	<u>300,250</u>	<u>300,250</u>	<u>(129,737)</u>	<u>(429,987)</u>
Net Change in Fund Balance	(35,000)	(35,000)	(54,972)	(19,972)
FUND BALANCE - Beginning of Year	<u>2,929,348</u>	<u>2,929,348</u>	<u>2,929,348</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,894,348</u>	<u>\$ 2,894,348</u>	<u>\$ 2,874,376</u>	<u>\$ (19,972)</u>

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF MCFARLAND

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2019

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/15	0.02466399%	\$ (605,815)	\$ 2,735,705	22.14%	102.74%
12/31/16	0.02415237%	392,471	2,901,661	13.53%	98.20%
12/31/17	0.02403967%	198,144	2,943,233	6.73%	99.12%
12/31/18	0.02526343%	(750,101)	3,178,136	23.60%	102.93%
12/31/19	0.02660430%	946,359	3,365,238	28.12%	96.45%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2019

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 234,105	\$ 234,105	\$ -	\$ 2,902,870	8.06%
12/31/16	232,586	232,586	-	2,944,883	7.90%
12/31/17	275,790	275,790	-	3,178,137	8.68%
12/31/18	293,935	293,935	-	3,365,238	8.73%
12/31/19	303,691	303,691	-	3,570,057	8.51%

See independent auditors' report and accompanying notes to the required supplementary information.

VILLAGE OF MCFARLAND

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2019

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C.

The budgeted amounts presented are as presented in the original budget and no amendments were adopted during the year. The village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds board action.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the function level of expenditure.

WISCONSIN RETIREMENT SYSTEM

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

The village is required to present the last ten years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Changes in assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from prior year, including the discount rate, wage inflation rate, mortality and separation rates. The Total OPEB Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

SUPPLEMENTARY INFORMATION

VILLAGE OF MCFARLAND

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
TAXES				
General property taxes	\$ 3,634,000	\$ 3,634,000	\$ 3,626,500	\$ (7,500)
Payments in lieu of taxes	102,500	102,500	107,649	5,149
Interest and penalties on taxes	1,750	1,750	7,531	5,781
Public accommodation (room) taxes	-	-	7,101	7,101
Total Taxes	<u>3,738,250</u>	<u>3,738,250</u>	<u>3,748,781</u>	<u>10,531</u>
INTERGOVERNMENTAL				
State shared revenues	109,750	109,750	109,704	(46)
Fire insurance tax (2% fire dues)	35,000	35,000	36,523	1,523
Other state shared taxes	24,250	24,250	27,428	3,178
State aid - law enforcement improvement	1,000	1,000	2,010	1,010
State aid - other public safety	6,000	6,000	6,753	753
State aid - general transportation aids	419,250	419,250	418,924	(326)
Payments for municipal services	8,750	8,750	5,207	(3,543)
In lieu of taxes on state conservation lands	250	250	118	(132)
Grants from local governments	50,500	50,500	50,351	(149)
State aid - law enforcement	19,500	19,500	19,595	95
Federal grants	-	-	14,437	14,437
Total Intergovernmental	<u>674,250</u>	<u>674,250</u>	<u>691,050</u>	<u>16,800</u>
LICENSES AND PERMITS				
Liquor and malt beverage licenses	12,000	12,000	11,530	(470)
Operators' license	6,500	6,500	6,925	425
Other business and occupational licenses	3,000	3,000	4,265	1,265
Bicycle licenses	500	500	4,470	3,970
Dog and cat licenses	3,000	3,000	3,884	884
Other nonbusiness licenses	5,000	5,000	5,551	551
Nonbusiness licenses	2,000	2,000	2,722	722
Building permits	105,000	105,000	115,764	10,764
Heating and air conditioning permits	45,000	45,000	31,034	(13,966)
Plumbing permits	45,000	45,000	37,370	(7,630)
Electrical permits	50,000	50,000	47,101	(2,899)
Other regulatory permits and fees	500	500	190	(310)
Other permits	60,000	60,000	104,710	44,710
Total Licenses and Permits	<u>337,500</u>	<u>337,500</u>	<u>375,516</u>	<u>38,016</u>
FINES, FORFEITURES AND PENALTIES				
Court penalties and costs	85,000	85,000	101,178	16,178
Parking violations	4,000	4,000	6,175	2,175
Total Fines, Forfeitures and Penalties	<u>89,000</u>	<u>89,000</u>	<u>107,353</u>	<u>18,353</u>

VILLAGE OF MCFARLAND

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
PUBLIC CHARGES FOR SERVICES				
Clerk's fees	\$ 9,000	\$ 9,000	\$ 11,095	\$ 2,095
Publication fees	500	500	1,440	940
Law enforcement fees	4,000	4,000	3,294	(706)
Fire protection fees	3,500	3,500	7,173	3,673
Ambulance fees	265,000	265,000	321,066	56,066
County highway maintenance and construction	1,250	1,250	729	(521)
Park rental	16,000	16,000	16,934	934
Plan review fees	10,000	10,000	9,777	(223)
Other public charges for services	4,000	4,000	3,100	(900)
Total Public Charges for Services	<u>313,250</u>	<u>313,250</u>	<u>374,608</u>	<u>61,358</u>
INTERGOVERNMENTAL CHARGES FOR SERVICES				
Local - law enforcement services	51,000	51,000	60,680	9,680
Local - fire services	179,250	179,250	168,029	(11,221)
Local - other services	26,500	26,500	27,000	500
Total Intergovernmental Charges for Services	<u>256,750</u>	<u>256,750</u>	<u>255,709</u>	<u>(1,041)</u>
INVESTMENT INCOME				
Interest on investments	<u>40,000</u>	<u>40,000</u>	<u>130,756</u>	<u>90,756</u>
MISCELLANEOUS				
Rent	80,500	80,500	78,120	(2,380)
Insurance recoveries	5,000	5,000	9,083	4,083
Other miscellaneous	11,000	11,000	1,211	(9,789)
Other utility non-operating revenue	46,000	46,000	46,000	-
Donations	5,250	5,250	2,250	(3,000)
Total Miscellaneous	<u>147,750</u>	<u>147,750</u>	<u>136,664</u>	<u>(11,086)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>300,250</u>	<u>300,250</u>	<u>302,910</u>	<u>2,660</u>
Total Other Financing Sources	<u>300,250</u>	<u>300,250</u>	<u>302,910</u>	<u>2,660</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 5,897,000</u>	<u>\$ 5,897,000</u>	<u>\$ 6,123,347</u>	<u>\$ 226,347</u>

VILLAGE OF MCFARLAND

DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
GENERAL GOVERNMENT				
Council/Board	\$ 71,000	\$ 71,000	\$ 73,114	\$ (2,114)
Judicial	60,250	60,250	56,852	3,398
Administrator	75,750	75,750	78,434	(2,684)
Clerk	266,000	266,000	265,681	319
Elections	8,000	8,000	7,453	547
Data processing	48,750	48,750	57,646	(8,896)
Finance	5,500	5,500	5,479	21
Assessor	40,500	40,500	40,561	(61)
Legal	96,000	96,000	115,686	(19,686)
General buildings/plant/hall	82,000	82,000	89,068	(7,068)
Risk and property management	116,250	116,250	117,162	(912)
Total General Government	870,000	870,000	907,136	(37,136)
PUBLIC SAFETY				
Police	2,094,250	2,094,250	2,095,188	(938)
Fire protection	950,750	950,750	907,488	43,262
Hydrant rental	315,000	315,000	325,092	(10,092)
Ambulance	20,750	20,750	35,113	(14,363)
Emergency government	9,250	9,250	7,051	2,199
Total Public Safety	3,390,000	3,390,000	3,369,932	20,068
HEALTH AND SOCIAL SERVICES				
Contributions to local organizations	-	-	100	(100)
Senior outreach	241,750	241,750	228,696	13,054
Total Health and Social Services	241,750	241,750	228,796	12,954
PUBLIC WORKS				
Engineering	15,000	15,000	13,593	1,407
Highway and street maintenance for local	727,000	727,000	613,673	113,327
Street lighting	119,000	119,000	124,659	(5,659)
Total Public Works	861,000	861,000	751,925	109,075
LEISURE ACTIVITIES				
Parks	356,500	356,500	255,513	100,987
CONSERVATION AND DEVELOPMENT				
Planning	212,750	212,750	232,370	(19,620)
OTHER FINANCING USES				
Transfers out	-	-	432,647	(432,647)
TOTAL EXPENDITURES	<u>\$ 5,932,000</u>	<u>\$ 5,932,000</u>	<u>\$ 6,178,319</u>	<u>\$ (246,319)</u>

VILLAGE OF MCFARLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2019

	Special Revenue Funds			
	Cable	Library	Parks	Solid Waste
ASSETS				
Cash and investments	\$ 63,778	\$ 208,034	\$ 491,590	\$ 200,520
Restricted cash and investments	-	-	68,497	-
Receivables				
Ensuing year levy	24,500	575,750	-	516,809
Accounts	26,617	504	-	805
Loans	-	-	192,296	-
TOTAL ASSETS	<u>\$ 114,895</u>	<u>\$ 784,288</u>	<u>\$ 752,383</u>	<u>\$ 718,134</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 190	\$ 28,581	\$ -	\$ 176
Advances from other funds	-	-	-	-
Total Liabilities	<u>190</u>	<u>28,581</u>	<u>-</u>	<u>176</u>
Deferred Inflows of Resources				
Unearned revenues	<u>24,500</u>	<u>575,750</u>	<u>2,298</u>	<u>516,809</u>
Total Deferred Inflows of Resources	<u>24,500</u>	<u>575,750</u>	<u>2,298</u>	<u>516,809</u>
Fund Balances				
Restricted	-	179,957	68,497	-
Committed	90,205	-	681,588	201,149
Unassigned (deficit)	-	-	-	-
Total Fund Balances	<u>90,205</u>	<u>179,957</u>	<u>750,085</u>	<u>201,149</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 114,895</u>	<u>\$ 784,288</u>	<u>\$ 752,383</u>	<u>\$ 718,134</u>

Special Revenue Funds			Capital Project Funds		Total Nonmajor Govern- mental Funds
Employee Retirement Fund	Youth Center	Canine	TIF No. 4 Capital Project	TIF No. 5 Capital Project	
\$ 137,690	\$ 43,001	\$ 49,651	\$ 68,342	\$ -	\$ 1,262,606
-	-	-	-	-	68,497
50,000	25,000	-	86,635	17,708	1,296,402
-	-	-	-	-	27,926
-	-	-	59,905	-	252,201
<u>\$ 187,690</u>	<u>\$ 68,001</u>	<u>\$ 49,651</u>	<u>\$ 214,882</u>	<u>\$ 17,708</u>	<u>\$ 2,907,632</u>
\$ -	\$ -	\$ 654	\$ 14,942	\$ -	\$ 44,543
-	-	-	447,366	147,635	595,001
-	-	654	462,308	147,635	639,544
50,000	65,250	-	86,635	17,708	1,338,950
50,000	65,250	-	86,635	17,708	1,338,950
-	-	48,997	-	-	297,451
137,690	2,751	-	-	-	1,113,383
-	-	-	(334,061)	(147,635)	(481,696)
<u>137,690</u>	<u>2,751</u>	<u>48,997</u>	<u>(334,061)</u>	<u>(147,635)</u>	<u>929,138</u>
<u>\$ 187,690</u>	<u>\$ 68,001</u>	<u>\$ 49,651</u>	<u>\$ 214,882</u>	<u>\$ 17,708</u>	<u>\$ 2,907,632</u>

VILLAGE OF MCFARLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2019

	Special Revenue Funds			
	Cable	Library	Parks	Solid Waste
REVENUES				
Taxes	\$ 24,500	\$ 544,500	\$ -	\$ 95,750
Intergovernmental	-	281,242	-	21,587
Licenses and permits	102,732	-	-	-
Public charges for services	-	14,607	260,993	413,735
Investment income	1,458	9,086	7,870	8,694
Miscellaneous revenues	322	-	-	-
Total Revenues	<u>129,012</u>	<u>849,435</u>	<u>268,863</u>	<u>539,766</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Leisure activities	-	-	-	472,113
Culture, recreation and education	121,086	827,256	-	-
Conservation and development	-	-	-	-
Capital Outlay	7,991	-	-	11,629
Debt Service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>129,077</u>	<u>827,256</u>	<u>-</u>	<u>483,742</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(65)</u>	<u>22,179</u>	<u>268,863</u>	<u>56,024</u>
OTHER FINANCING SOURCES (USES)				
Debt issued	-	-	-	-
Premium on debt issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(65)	22,179	268,863	56,024
FUND BALANCES - Beginning of Year	<u>90,270</u>	<u>157,778</u>	<u>481,222</u>	<u>145,125</u>
FUND BALANCES - END OF YEAR	<u>\$ 90,205</u>	<u>\$ 179,957</u>	<u>\$ 750,085</u>	<u>\$ 201,149</u>

Special Revenue Funds			Capital Project Funds		Total Nonmajor Govern- mental Funds
Employee Retirement Fund	Youth Center	Canine	TIF No. 4 Capital Project	TIF No. 5 Capital Project	
\$ 50,000	\$ 25,750	\$ -	\$ 93,135	\$ -	\$ 833,635
-	40,250	-	1,407	-	344,486
-	-	-	-	-	102,732
-	-	-	-	-	689,335
3,471	782	473	677	-	32,511
-	15,000	20,306	-	39,297	74,925
<u>53,471</u>	<u>81,782</u>	<u>20,779</u>	<u>95,219</u>	<u>39,297</u>	<u>2,077,624</u>
48,099	-	-	20,928	18,733	87,760
-	-	13,203	-	-	13,203
-	-	-	-	-	472,113
-	40,281	-	-	-	988,623
-	-	-	-	33,402	33,402
-	-	-	17,024	-	36,644
-	-	-	30,000	930,000	960,000
-	-	-	7,238	65,707	72,945
<u>48,099</u>	<u>40,281</u>	<u>13,203</u>	<u>75,190</u>	<u>1,047,842</u>	<u>2,664,690</u>
<u>5,372</u>	<u>41,501</u>	<u>7,576</u>	<u>20,029</u>	<u>(1,008,545)</u>	<u>(587,066)</u>
-	-	-	-	995,000	995,000
-	-	-	-	2,672	2,672
-	-	41,421	79,213	-	120,634
-	(40,250)	-	-	-	(40,250)
-	(40,250)	41,421	79,213	997,672	1,078,056
5,372	1,251	48,997	99,242	(10,873)	490,990
<u>132,318</u>	<u>1,500</u>	<u>-</u>	<u>(433,303)</u>	<u>(136,762)</u>	<u>438,148</u>
<u>\$ 137,690</u>	<u>\$ 2,751</u>	<u>\$ 48,997</u>	<u>\$ (334,061)</u>	<u>\$ (147,635)</u>	<u>\$ 929,138</u>

MCFARLAND UTILITIES

Enterprise Funds of the
Village of McFarland, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Years Ended December 31, 2019 and 2018

McFARLAND UTILITIES

Enterprise Funds of the Village of McFarland, Wisconsin

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As of and for the Years Ended December 31, 2019 and 2018

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INDEPENDENT AUDITORS' REPORT

To the Village Board
McFarland Utilities
McFarland, Wisconsin

We have audited the accompanying financial statements of McFarland Utilities, enterprise funds of the Village of McFarland, Wisconsin, as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the McFarland Utilities' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the McFarland Utilities' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of McFarland Utilities as of December 31, 2019 and 2018, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the McFarland Utilities enterprise funds and do not purport to, and do not, present fairly the financial position of the Village of McFarland, Wisconsin, as of December 31, 2019 and 2018 and the respective changes in financial position, or cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements as a whole. The supplemental information as listed in the table of contents are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated in all material respects in relation to the financial statements as a whole.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
May 19, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS
WATER AND SEWER UTILITY

MCFARLAND WATER AND SEWER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2019 and 2018

The management of the McFarland Water and Sewer Utility (Utility) offers this narrative discussion and analysis of the financial performance of the Utility for the fiscal year ended December 31, 2019. The easy to read narrative overview information presented here should be considered in conjunction with the more detailed information available in the financial statements of the Utility. These financial statements report information about the Utility using accounting methods similar to those used by private sector companies and offer short-term and long-term information about Utility activities.

FINANCIAL HIGHLIGHT

- > The net position of the Utility improved \$536,000 from \$16,830,000 in 2018 to \$17,366,000 in 2019.
- > The operating revenues of the Utility increased \$66,000 from \$2,148,000 in 2018 to \$2,214,000 in 2019.
- > The operating expenses of the Utility, excluding depreciation, increased \$87,000 from \$1,557,000 in 2018 to \$1,644,000 in 2019.
- > The net operating income of the Water Utility decreased to \$237,000 in 2019 from \$295,000 in 2018.
- > The Sewer Utility recognized an operating loss of \$132,700 in 2019 compared to an operating loss \$126,200 in 2018.
- > The authorized rate of return for the Public Service Commission of Wisconsin (PSCW) regulated water utility operations is 7.25%. The actual rate of return for 2019 was 1.58%, down from 2.39% in 2018.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Water and Sewer Utility is a self-supporting entity and separate enterprise fund of the Village of McFarland. The Utility accounts for the cost of water utility and sewer utility operations on a continuing basis. The statements of net position of water utility operations and sewer utility operations is combined for accounting purposes although the capital assets and operating revenues/expenses are maintained separately for each type of utility.

Water and sewer service is provided to properties within the Village of McFarland and to several properties outside McFarland. The Utility is managed by the Village Board and the Public Utilities Committee (PSCW), which is advisory to the Village Board.

The Water Utility operations are subject to service rules and rates established by the PSCW. The accounting records of the Utility are maintained in accordance with the Uniform System of Accounts prescribed by the PSCW and in accordance with the Governmental Accounting Standards Board.

MCFARLAND WATER AND SEWER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2019 and 2018

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

In 1994, the PSCW authorized deregulation of the Sewer Utility operations. Sewer rates and rules are now determined by the Village Board, based upon the recommendations of the Public Utilities Committee. Wastewater is treated under an agreement with the Madison Metropolitan Sewerage District.

The annual report consists of Management's Discussion and Analysis, the basic financial statements, the report of the independent auditor, and supplemental information.

An analysis of the financial position of the Water and Sewer Utility begins with a review of the Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position. These two statements report the Utility's net position and changes therein. The net position – the difference between assets and deferred outflows and liabilities and deferred inflows – is key to measuring the financial health of the Utility. Over time, increases or decreases in net position are an indicator of whether the financial position of the Utility is improving or deteriorating. It should be noted, however, that the financial position may also be affected by other nonfinancial factors, including economic conditions, customer growth, climate conditions and new regulations.

UTILITY FINANCIAL ANALYSIS

Net Position

The Statements of Net Position includes all of the assets, deferred outflows, liabilities, and deferred inflows of the Utility and provides information about the nature and amount of investments in resources (assets) and the obligations to utility creditors (liabilities). This statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the Utility. A summary of the Statements of Net Position is presented below in Table 1.

MCFARLAND WATER AND SEWER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2019 and 2018

UTILITY FINANCIAL ANALYSIS (cont.)

Net Position (cont.)

TABLE 1
CONDENSED STATEMENTS OF NET POSITION

	2019	2018	2017	2018-2019 Change
Current and Other Assets	\$ 4,699,455	\$ 4,226,958	\$ 5,055,689	\$ 472,497
Capital Assets	16,281,618	15,640,881	13,516,723	640,737
Total Assets	20,981,073	19,867,839	18,572,412	1,113,234
Deferred outflows of resources	189,455	94,165	128,689	95,290
Long-Term Debt Outstanding	3,010,000	2,690,000	3,055,000	320,000
Other Liabilities	701,047	361,515	636,653	339,532
Total Liabilities	3,711,047	3,051,515	3,691,653	659,532
Deferred inflows of resources	93,253	80,506	51,455	12,747
Investment in Capital Assets	13,175,346	12,886,773	10,386,711	288,573
Restricted	471,155	443,856	371,392	27,299
Unrestricted	3,719,727	3,499,354	4,199,890	220,373
Total Net Position	\$ 17,366,228	\$ 16,829,983	\$ 14,957,993	\$ 536,245

As shown the table above, the net position of the Water and Sewer Utility improved by \$536,000 or, 3.19%, in 2019. Current and other assets increased by \$473,000 or 11.2%, mostly due to a increase in unrestricted cash on hand in 2019. Capital assets, which increased \$641,000, or 4.1%, now comprise 77.6% of total assets, down from 78.7% in 2018.

Restricted net position includes \$450,332 for a replacement fund used for sewer lift station replacements and \$20,823 for funds related to impact fees collected.

The Utility reported deferred outflows related to pension of \$190,000 in 2019, an increase of \$95,000 from 2018. The Utility reported deferred inflows related to pension of \$93,000 in 2019, an increase of \$13,000 from 2019. See accompanying notes to the financial statements for more information on deferred outflows and inflows of resources.

The specific nature or source of these changes becomes more evident in the Statements of Revenues, Expenses and Changes in Net Position that follows.

See accompanying Independent Auditors' Report.

MCFARLAND WATER AND SEWER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2019 and 2018

UTILITY FINANCIAL ANALYSIS (cont.)

Revenues, Expenses, and Change in Net Position

All of the Utility's revenues and expenses are accounted for in Table 2, the Statements of Revenues, Expenses, and Change in Net Position. This statement measures the success of the Utility's operations over the year and can be used to determine whether the Utility has successfully recovered all its costs through user fees and other charges, profitability, and credit worthiness.

TABLE 2
CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION

	2019	2018	2017	2018-2019 Change
Operating Revenues	\$ 2,214,001	\$ 2,148,047	\$ 2,159,361	\$ 65,954
Non-Operating Revenues	81,580	105,127	9,390	(23,547)
Total Revenues	<u>2,295,581</u>	<u>2,253,174</u>	<u>2,168,751</u>	<u>42,407</u>
Depreciation Expense	465,984	422,026	380,559	43,958
Other Operating Expense	1,643,897	1,556,858	1,462,094	87,039
Non-Operating Expense	65,199	51,264	56,075	13,935
Total Expenses	<u>2,175,080</u>	<u>2,030,148</u>	<u>1,898,728</u>	<u>144,932</u>
Income Before Capital				-
Contributions and Transfers	120,501	223,026	270,023	(102,525)
Transfers	(262,660)	(249,144)	(256,753)	(13,516)
Capital Contributions	<u>678,404</u>	<u>1,898,108</u>	<u>281,255</u>	<u>(1,219,704)</u>
Change in Net Position	536,245	1,871,990	294,525	(1,335,745)
Beginning Net Position	<u>16,829,983</u>	<u>14,957,993</u>	<u>14,663,468</u>	<u>1,871,990</u>
				-
Net Position End of Year	<u>\$ 17,366,228</u>	<u>\$ 16,829,983</u>	<u>\$ 14,957,993</u>	<u>\$ 536,245</u>

Operating revenues for the Utility in 2019 increased \$66,000, or 3.1%, from \$2,148,000 to \$2,214,000. This is primarily attributable to an increase in volume billed in 2019, along with an increase in water rates that went into effect in November 2019.

MCFARLAND WATER AND SEWER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2019 and 2018

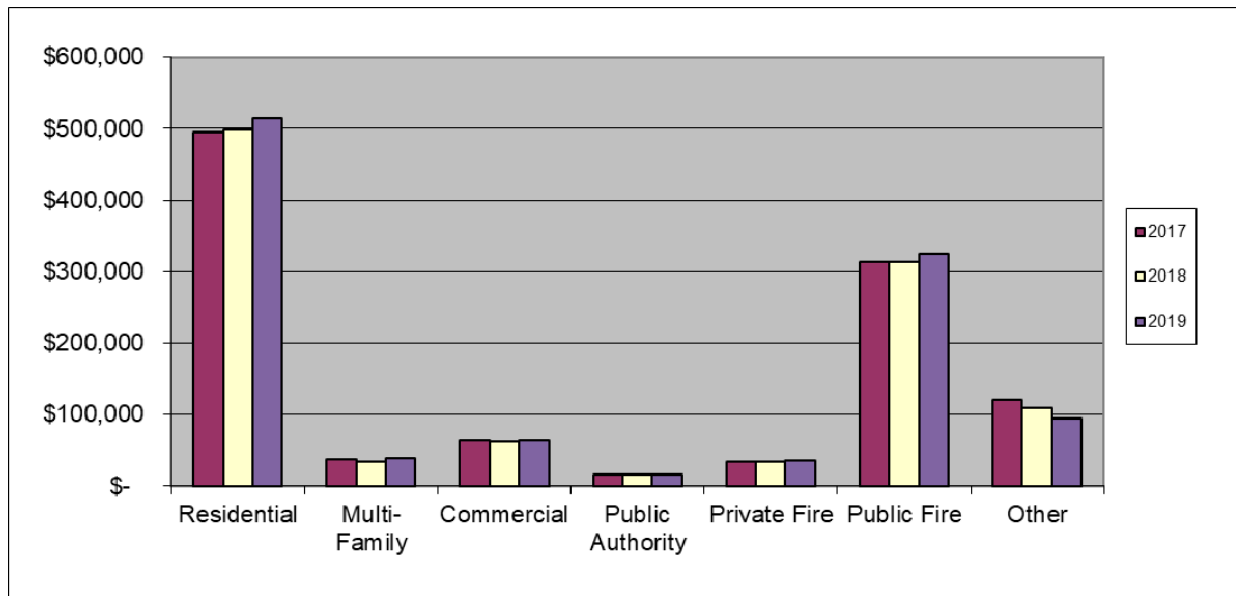
UTILITY FINANCIAL ANALYSIS (cont.)

Total expenses for 2019 increased \$145,000, or 7.1%, from the previous year. Depreciation increased by \$44,000, while other operating expenses increased by \$87,000. Water Utility operation and maintenance expenses increased \$59,000 from 2018. The Sewer Utility operation and maintenance expenses increased \$28,000 from 2018. Nonoperating revenues decreased by \$24,000 due to a decrease in investment income. Non-operating expenses increased \$14,000 from the previous year.

Comparison of Operating Revenues

Tables 3 and 4 compare revenues received in 2019 from Water Utility and Sewer Utility operations with those revenues generated in 2018 and 2017. Revenues can be affected by a variety of factors including rate increases, customer growth, climate conditions, and local economic conditions.

**TABLE 3
COMPARISON OF WATER OPERATING REVENUES**



See accompanying Independent Auditors' Report.

MCFARLAND WATER AND SEWER UTILITY

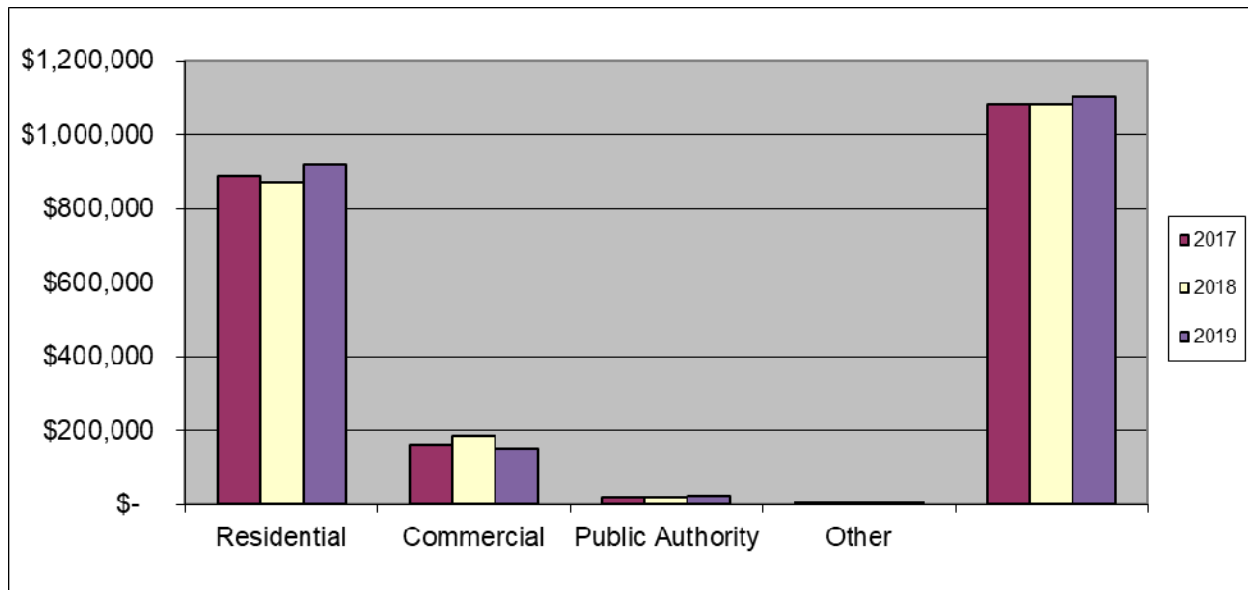
MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2019 and 2018

UTILITY FINANCIAL ANALYSIS (cont.)

Comparison of Operating Revenues (cont.)

Operating revenues from sales of water and other sources increased in 2019 by \$22,000, or 2.1%. Water rates were increased effective November 13, 2019 at a rate of 3%. The number of water customers increased by 3.1% in 2019 while volume sold increased by 3.9%.

**TABLE 4
COMPARISON OF SEWER OPERATING REVENUES**



Sewer Utility revenues from user charges increased by \$18,000 or 1.7%, in 2019. The number of sewer customers increased by 3.0% in 2019 while volume sold increased by 3.0%.

MCFARLAND WATER AND SEWER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2019 and 2018

UTILITY FINANCIAL ANALYSIS (cont.)

Statements of Cash Flows

The Statements of Cash Flows in Table 5 below reports cash receipts, cash payments, and net changes in cash resulting from operations, investment income, and financing activities such as repayment of debt and capital additions. This information provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

**TABLE 5
CONDENSED STATEMENTS OF CASH FLOWS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2018-2019 Change</u>
Cash Flows From:				
Operating Activities	\$ 862,091	\$ 684,124	\$ 769,810	\$ 177,967
Noncapital Financing Activities	(262,660)	(505,897)	(219,494)	243,237
Capital and Related Financing Activities	(160,060)	(1,117,344)	(541,589)	957,284
Investing Activities	<u>81,580</u>	<u>105,127</u>	<u>9,390</u>	<u>(23,547)</u>
Net Change in Cash and Cash Equivalents	520,951	(833,990)	18,117	1,354,941
Cash and Cash Equivalents - Beginning of Year	<u>3,619,672</u>	<u>4,453,662</u>	<u>4,435,545</u>	<u>(833,990)</u>
Cash and Cash Equivalents - End of Year	<u>\$ 4,140,623</u>	<u>\$ 3,619,672</u>	<u>\$ 4,453,662</u>	<u>\$ 520,951</u>

Cash flows from operating activities of \$862,000 increased by \$178,000 or 26.0%, from 2018. This is primarily due to a decrease in cash paid to suppliers, along with an increase in cash collected from customers. Cash used for noncapital financing activities decreased by \$243,000 in 2019 due to two years of PILOT payments made in 2018. Cash flows generated from capital and related financing activities decreased by \$957,000, or (85.7)%, from 2018. The decrease is due to new debt issued during 2019, along with a decrease in capital contributions and related capital additions. The overall net change in cash and cash equivalents was an increase of \$521,000 compared to a decrease of \$834,000 in 2018. At year-end, total cash and cash equivalents balance is \$4,141,000, compared to \$3,620,000 in 2018. Of the \$4,141,000 ending cash balance, \$450,000 is restricted for equipment replacement and \$21,000 is restricted for impact fees collected.

MCFARLAND WATER AND SEWER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2019 and 2018

UTILITY FINANCIAL ANALYSIS (cont.)

Capital Assets

Tables 6 and 7 below summarize the capital assets currently held for water utility and sewer utility purposes, respectively. Please refer to the notes to the financial statements for further detail about these capital assets.

**TABLE 6
CAPITAL ASSETS – WATER UTILITY OPERATIONS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2018-2019 Change</u>
Capital Assets				
Source of Supply	\$ 243,539	\$ 243,539	\$ 243,539	\$ -
Pumping	357,710	357,710	357,710	-
Water treatment	4,498	4,498	4,498	-
Transmission and distribution	15,107,941	14,372,166	12,675,674	735,775
General	<u>481,632</u>	<u>426,210</u>	<u>295,285</u>	<u>55,422</u>
Total Capital Assets	16,195,320	15,404,123	13,576,706	791,197
Less: Accumulated depreciation	<u>(4,812,782)</u>	<u>(4,521,588)</u>	<u>(4,241,522)</u>	<u>(291,194)</u>
Net Capital Assets	<u>\$ 11,382,538</u>	<u>\$ 10,882,535</u>	<u>\$ 9,335,184</u>	<u>\$ 500,003</u>

During 2019, the capital assets for water utility operations increased \$791,000, or 5.1%. After depreciation was factored in, however, the net capital assets for the water utility were \$11,383,000, increasing by \$500,000, or 4.6%, from the previous year. This compares to an increase of 16.6% in net capital assets in 2018.

MCFARLAND WATER AND SEWER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2019 and 2018

UTILITY FINANCIAL ANALYSIS (cont.)

TABLE 7
CAPITAL ASSETS – SEWER UTILITY OPERATIONS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2018-2019 Change</u>
Capital Assets				
Collection system	\$ 5,903,550	\$ 5,667,086	\$ 5,084,171	\$ 582,915
Collection system pumping	1,043,088	1,043,088	1,043,088	-
General	<u>386,417</u>	<u>330,995</u>	<u>200,070</u>	<u>130,925</u>
Total Capital Assets	7,333,055	7,041,169	6,327,329	713,840
Less: Accumulated depreciation	<u>(2,433,975)</u>	<u>(2,282,823)</u>	<u>(2,145,790)</u>	<u>(137,033)</u>
Net Capital Assets	<u>\$ 4,899,080</u>	<u>\$ 4,758,346</u>	<u>\$ 4,181,539</u>	<u>\$ 576,807</u>

During 2019, the capital assets for sewer utility operations increased by \$292,000, or 4.1%. After depreciation was factored in, the net capital assets for the sewer utility were \$4,900,000, an increase of \$141,000 or 3.0%, from 2018. This compares to an increase of 13.8% in net capital assets in 2018.

Please refer to the notes to the financial statements for further detail about the capital assets of the Water and Sewer Utility.

DEBT ADMINISTRATION

As of December 31, 2019, the Water and Sewer Utility have \$3,010,000 in outstanding general obligation debt. This debt was issued in 2015, 2017, and 2019 for the purpose of funding 2015, 2016, 2017, and 2019 capital improvement projects and equipment purchases. Please refer to the notes to the financial statements for further detail about the debt obligations of the Water and Sewer Utility.

MCFARLAND WATER AND SEWER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2019 and 2018

CURRENTLY KNOWN FACTS / ECONOMIC CONDITIONS

The Village of McFarland is located adjacent to the southeast edge of the City of Madison. This proximity to a major regional commercial center, which is the capital of state government and home to the flagship campus of the University of Wisconsin has produced a favorable economic climate. With the exception of the economic downturn and stagnation in housing construction that began in 2008, these economic drivers have resulted in steady growth in the service area of the Utility over the last two decades. The market for existing homes strengthened significantly in 2013, and there are promising signs of increased growth in new residential construction. The Village has seen positive growth since 2013, given the performance of the market and the expansion surrounding the Madison area.

The customer base of the Utility consists primarily of residential and small commercial users that, for the most part, do not utilize large quantities of water. This characteristic of the customer base results in a very stable revenue base since the loss of any single user would not have a significant impact on the Utility's operating revenues. The creation of TID #3 in 2004 and TID #4 in 2008, both of which will promote more commercial / industrial development, combined with the availability of land that exists for residential development, should yield long-term growth in the customer base and greater economies of scale in future Utility operations once the pace of development returns to more normal levels.

The Utility has created long-range project and financial plans to keep pace with projected Village growth. Rate structures are reviewed annually to maintain a strong cash flow sufficient to cover operating and debt service needs and to fund smaller capital projects.

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including to areas impacting the Utilities. As of the date above, the Village's evaluation of the effects of these events is ongoing; however, we anticipate this situation could impact demand for utility services, investment valuations and decreased investment income, and a decline in revenues such as penalties. The Village also anticipates financial benefit from lower fuel costs, relief funds from State and Federal programs, and low interest loans available to continue to support capital needs. Staffing remains stable and operations continue to ensure essential services continue.

The extent of the impact of COVID-19 on the Utilities' operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

CONTACTING UTILITY MANAGEMENT

This discussion and analysis is intended to provide information for our customers, investors, and creditors concerning the financial performance of the Water and Sewer Utility and to demonstrate the Utility's accountability for the money it receives. If you have questions about this report, or would like additional financial information, contact the Village of McFarland at PO Box 110, McFarland, WI 53558-0110 or at (608)838-3153.

General information relating to the McFarland Water and Sewer Utility can also be found at the Village website www.mcfarland.wi.us.

MANAGEMENT'S DISCUSSION AND ANALYSIS
STORM WATER UTILITY

McFARLAND STORM WATER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2019 and 2018

The management of the McFarland Storm Water Utility (STW Utility) offers this narrative discussion and analysis of the financial performance of the STW Utility for the year ended December 31, 2019. The easy to read narrative overview information presented here should be considered in conjunction with the more detailed information available in the financial statements of the STW Utility. These financial statements report information about the STW Utility using accounting methods similar to those used by private sector companies and offer short-term and long-term information about STW Utility activities.

FINANCIAL HIGHLIGHTS

- > The net position of the STW Utility was \$4,312,000 at the end of 2019, a \$271,000 improvement over 2018.
- > The operating revenues of the STW Utility for 2019 were \$541,000, up \$5,000 compared to 2018.
- > The operating expenses of the STW Utility for 2019, excluding depreciation, were \$294,000, an increase of \$19,000 from 2018.
- > The STW Utility had \$515,000 in outstanding general obligation debt at the end of 2019.

OVERVIEW OF THE FINANCIAL STATEMENTS

The STW Utility is a self-supporting entity and separate enterprise fund of the Village of McFarland. The STW Utility accounts for the cost of storm water management operations on a continuing basis. The STW Utility was legally established and began charging fees on July 1, 2008. Storm water management expenses and revenues have, however, been segregated into a separate fund since 2007.

Storm water management services are provided to properties within the Village of McFarland. The STW Utility is managed by the Village Board and the Public Utilities Committee, which is advisory to the Village Board, in compliance with standards established by the Federal Environmental Protection Agency and the Wisconsin Department of Natural Resources. The Village of McFarland is also a joint holder with other Madison-area communities of a Storm Water Discharge Permit issued under Chapter NR216 of the Wisconsin Administration Code.

The accounting records of the STW Utility are maintained in accordance with the requirements set forth by the Governmental Accounting Standards Board.

The STW Utility is not regulated by the Public Service Commission of Wisconsin (PSCW). Its rates, credits and rules are determined by the Village Board. The user charge structure is based on Equivalent Runoff Units (ERUs) as measured by the impervious surface area of the property, with one ERU equal to 3,456 square feet of impervious area.

The annual report consists of Management's Discussion and Analysis, the basic financial statements, the report of the independent auditor, and supplemental information.

MCFARLAND STORM WATER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2019 and 2018

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

An analysis of the financial position of the STW Utility begins with a review of the Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position. These two statements report the STW Utility's net position and changes therein. The net position – the difference between assets and deferred outflows and liabilities and deferred inflows – is key to measuring the financial health of the STW Utility. Over time, increases or decreases in the net position value are an indicator of whether the financial position of the STW Utility is improving or deteriorating. It should be noted, however, that the financial position may also be affected by other nonfinancial factors, including economic conditions, customer growth, climate conditions and new regulations.

UTILITY FINANCIAL ANALYSIS

Net Position

The Statements of Net Position includes all of the assets, deferred outflows, liabilities, and deferred inflows of the STW Utility and provides information about the nature and amount of investments in resources (assets) and the obligations to utility creditors (liabilities). This statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the STW Utility. A summary of the Statements of Net Position is presented below in Table 1.

**TABLE 1
CONDENSED STATEMENTS OF NET POSITION**

	2019	2018	2017	2018-2019 Change
Current and Other Assets	\$ 1,078,310	\$ 1,169,995	\$ 1,122,262	\$ (91,685)
Capital Assets	<u>3,778,254</u>	<u>3,600,801</u>	<u>3,371,959</u>	<u>177,453</u>
Total Assets	<u>4,856,564</u>	<u>4,770,796</u>	<u>4,494,221</u>	<u>85,768</u>
Deferred outflows of resources	<u>76,303</u>	<u>38,731</u>	<u>45,737</u>	<u>37,572</u>
Long-Term Debt Outstanding	515,000	665,000	815,000	(150,000)
Other Liabilities	<u>67,008</u>	<u>65,341</u>	<u>91,512</u>	<u>1,667</u>
Total Liabilities	<u>582,008</u>	<u>730,341</u>	<u>906,512</u>	<u>(148,333)</u>
Deferred inflows of resources	<u>39,045</u>	<u>38,543</u>	<u>19,294</u>	<u>502</u>
Investment in Capital Assets	3,243,087	2,911,880	2,477,472	331,207
Restricted	-	19,781	-	-
Unrestricted	<u>1,068,727</u>	<u>1,108,982</u>	<u>1,136,680</u>	<u>(40,255)</u>
Total Net Position	<u>\$ 4,311,814</u>	<u>\$ 4,040,643</u>	<u>\$ 3,614,152</u>	<u>\$ 271,171</u>

See accompanying Independent Auditors' Report.

MCFARLAND STORM WATER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2019 and 2018

UTILITY FINANCIAL ANALYSIS (cont.)

Net Position (cont.)

As can be seen from the table above, the net position of the STW Utility improved in 2019 to \$4,312,000 an increase of \$272,000, or 6.7% over 2018. The improvement in net position is attributable primarily to an increase in capital assets contributed by developers. Current assets decreased \$92,000, or (7.8)%. Capital and other noncurrent assets comprise 77.8% of total assets at this time, which increased from 75.5% in 2018.

The STW Utility reported deferred outflows related to pension of \$76,000 in 2019, an increase of \$38,000 from 2018. The Utility reported deferred inflows related to pension of \$39,000 in 2019, an increase of \$500 from 2018. See accompanying notes to the financial statements for more information on deferred outflows and inflows of resources.

The specific nature or source of these changes becomes more evident in the Statements of Revenues, Expenses and Changes in Net Position that follows.

Revenues, Expenses, and Changes in Net Position

All STW Utility revenues and expenses are accounted for in Table 2, the Statements of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the STW Utility operations over the year and can be used to determine whether the STW Utility has successfully recovered all its costs through user fees and other charges, profitability, and credit worthiness.

TABLE 2
CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2019	2018	2017	2018-2019 Change
Operating Revenues	\$ 541,241	\$ 536,023	\$ 518,965	\$ 5,218
Non-Operating Revenues	24,029	29,902	70,007	(5,873)
Total Revenues	563,615	565,925	588,972	(2,310)
Depreciation Expense	134,008	124,064	114,753	9,944
Other Operating Expense	294,045	274,885	277,207	19,160
Non-Operating Expense	12,824	12,223	17,350	601
Total Expenses	439,222	411,172	409,310	28,050
Income Before Capital				
Contributions and Transfers	124,393	154,753	179,662	(30,360)
Capital Contributions	146,778	271,738	47,080	(124,960)
Change in Net Position	271,171	426,491	226,742	(155,320)
Beginning Net Position	4,040,643	3,614,152	3,387,410	426,491
Net Position End of Year	\$ 4,311,814	\$ 4,040,643	\$ 3,614,152	\$ 271,171

See accompanying Independent Auditors' Report.

MCFARLAND STORM WATER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2019 and 2018

UTILITY FINANCIAL ANALYSIS (cont.)

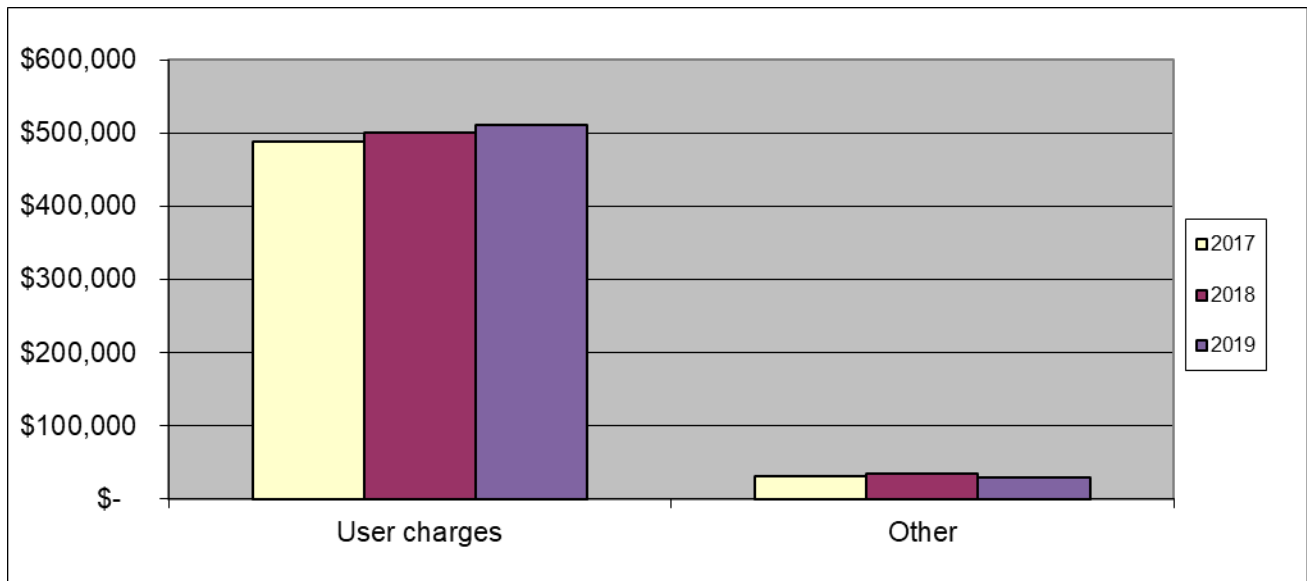
Revenues, Expenses, and Changes in Net Position (cont.)

Operating revenues for the STW Utility in 2019 increased \$5,000, or 1.0%, from 2018. The customer base increased 2.8% from the prior year. Table 3 below summarizes the operating revenues of the STW Utility.

Total expenses for 2019 of \$439,000 were \$28,000, or 7.0%, higher than the previous year primarily due to an increase in the contractual services expense. Depreciation expense for the year was up 8.0%.

Net position was increased by \$271,000 in 2019 due to an increase in operating revenues from an increase in ERU's.

TABLE 3
Comparison of Storm Water Operating Revenues



See accompanying Independent Auditors' Report.

MCFARLAND STORM WATER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2019 and 2018

UTILITY FINANCIAL ANALYSIS (cont.)

Statements of Cash Flows

The statements of cash flows in Table 4 below reports cash receipts, cash payments, and net changes in cash resulting from operations, investment income, and financing activities such as repayment of debt and capital additions. This information provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

TABLE 4
CONDENSED STATEMENTS OF CASH FLOWS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2018-2019 Change</u>
Cash Flows From:				
Operating Activities	\$ 236,949	\$ 279,974	\$ 283,909	\$ (43,025)
Capital and Related Financing Activities	(331,261)	(250,685)	(248,389)	(80,576)
Investing Activities	<u>23,454</u>	<u>25,425</u>	<u>4,291</u>	<u>(1,971)</u>
Net Change in Cash and Cash Equivalents	(70,858)	54,714	39,811	(125,572)
Cash and Cash Equivalents - Beginning of Year	<u>1,076,266</u>	<u>1,021,552</u>	<u>981,741</u>	<u>54,714</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,005,408</u>	<u>\$ 1,076,266</u>	<u>\$ 1,021,552</u>	<u>\$ (70,858)</u>

The STW Utility experienced a net cash flow of \$237,000 from operating activities in 2019, a decrease of \$43,000, or (15.4)%, from 2018. Cash used in capital and related financing activities increased \$80,600 in 2019 due to capital projects going into service. Cash and cash equivalents at year-end decreased \$71,000, or (6.6)%, from 2018 to 2019. All cash is considered to be unrestricted as of 2019 year end.

MCFARLAND STORM WATER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2019 and 2018

UTILITY FINANCIAL ANALYSIS (cont.)

Capital Assets

Table 5 below summarizes the capital assets currently held for STW Utility purposes.

TABLE 5
CAPITAL ASSETS – STORM WATER UTILITY OPERATIONS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2018-2019 Change</u>
Capital Assets				
Land and improvements	\$ 313,596	\$ 313,596	\$ 223,649	\$ -
Pipes	3,193,406	3,057,244	2,885,862	136,162
Manholes	393,231	393,231	374,231	-
Inlets	654,330	554,453	481,876	99,877
Basins	719,431	719,431	667,558	-
Miscellaneous and general	<u>445,559</u>	<u>370,137</u>	<u>370,137</u>	<u>75,422</u>
Total Capital Assets	5,719,553	5,408,092	5,003,313	311,461
Less: Accumulated depreciation	<u>(1,941,299)</u>	<u>(1,807,291)</u>	<u>(1,683,227)</u>	<u>(134,008)</u>
Net Capital Assets	<u>\$ 3,778,254</u>	<u>\$ 3,600,801</u>	<u>\$ 3,320,086</u>	<u>\$ 177,453</u>

During 2019, the capital assets of the STW Utility increased by \$312,000, or 5.8%, from 2018. The increase came primarily from developer contributed additions. After depreciation was factored in, the net capital assets for the STW Utility were \$3,778,000, an increase of \$176,000, or 4.9%, from 2018.

Please refer to the notes to the financial statements for further detail about the capital assets of the Storm Water Utility.

DEBT ADMINISTRATION

As of December 31, 2019 the STW Utility had \$515,000 in general obligation debt outstanding compared to \$665,000 in 2018. The STW Utility issued \$500,000 in new general obligation debt in 2015 for the purpose of funding 2015 and 2016 capital improvement projects and equipment purchases. Please refer to the notes to the financial statements for further detail about the debt obligations of the Storm Water Utility.

McFARLAND STORM WATER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2019 and 2018

CURRENTLY KNOWN FACTS / ECONOMIC CONDITIONS

The Village of McFarland is located adjacent to the southeast edge of the City of Madison. This proximity to a major regional commercial center, which is the capital of state government and home to the flagship campus of the University of Wisconsin has produced a favorable economic climate. With the exception of the economic downturn and stagnation in housing construction that began in 2008, these economic drivers have resulted in steady growth in the service area of the STW Utility over the last two decades. The market for existing homes strengthened significantly in 2013, and there are promising signs of increased growth in new residential construction. The Village has seen positive growth since 2013, given the performance of the market and the expansion surrounding the Madison area.

The customer base of the STW Utility consists of all residential commercial, industrial and institutional properties in McFarland. Local streets, cemeteries, and the railroad land areas are not assessed user charges. The creation of TID #3 in 2004 and TID #4 in 2008, both of which will promote more commercial / industrial development, combined with the availability of land that exists for residential development, should yield long-term growth in the customer base and greater economies of scale in future STW Utility operations once the pace of development returns to more normal levels.

Although just established in 2008, the STW Utility has created long-range project and financial plans to keep pace with projected Village growth. Rate structures are reviewed annually to maintain a strong cash flow sufficient to cover operating and debt service needs and to fund smaller capital projects.

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including to areas impacting the Utility. As of the date above, the Village's evaluation of the effects of these events is ongoing; however, we anticipate this situation could impact demand for utility services, investment valuations and decreased investment income, and a decline in revenues such as penalties.

The extent of the impact of COVID-19 on the Utility's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

CONTACTING UTILITY MANAGEMENT

This discussion and analysis is intended to provide information for our customers, investors, and creditors concerning the financial performance of the STW Utility and to demonstrate the STW Utility's accountability for the money it receives. If you have questions about this report, or would like additional financial information, contact the Village of McFarland, PO Box 110, McFarland, WI 53558-0110 or at (608)838-3153.

General information relating to the McFarland STW Utility can also be found at the Village website www.mcfarland.wi.us.

WATER AND SEWER UTILITY

MCFARLAND WATER AND SEWER UTILITY

STATEMENTS OF NET POSITION As of December 31, 2019 and 2018

ASSETS	<u>2019</u>	<u>2018</u>
CURRENT ASSETS		
Cash and investments	\$ 3,095,892	\$ 2,693,526
Customer accounts receivable	236,429	239,849
Other accounts receivable	-	812
Due from municipality	42,732	40,290
Materials and supplies	<u>19,450</u>	<u>19,450</u>
Total Current Assets	<u>3,394,503</u>	<u>2,993,927</u>
NONCURRENT ASSETS		
Restricted Assets		
Replacement account	450,332	397,192
Impact fee account	20,823	-
Net pension asset	-	46,664
Other Assets		
Water tower reserve	494,786	450,954
Depreciation reserve	78,790	78,000
Special assessments receivable	36,109	36,109
Property held for future use	224,112	224,112
Capital Assets		
Plant in service		
Water	16,195,320	15,404,123
Sewer	<u>7,333,055</u>	<u>7,041,169</u>
Total Plant in Service	<u>23,528,375</u>	<u>22,445,292</u>
Accumulated depreciation		
Water	(4,812,782)	(4,521,588)
Sewer	<u>(2,433,975)</u>	<u>(2,282,823)</u>
Total Accumulated Depreciation	<u>(7,246,757)</u>	<u>(6,804,411)</u>
Total Noncurrent Assets	<u>17,586,570</u>	<u>16,873,912</u>
Total Assets	<u>20,981,073</u>	<u>19,867,839</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	<u>189,455</u>	<u>94,165</u>

	LIABILITIES	<u>2019</u>	<u>2018</u>
CURRENT LIABILITIES			
Accounts payable		\$ 222,007	\$ 222,691
Due to municipality		262,660	-
Customer deposits		5,000	5,000
Accrued interest		6,471	4,483
Accrued vacation leave		7,238	6,877
Current portion of lease payable		4,980	4,775
Current portion of general obligation debt		<u>415,000</u>	<u>400,000</u>
Total Current Liabilities		<u>923,356</u>	<u>643,826</u>
NONCURRENT LIABILITIES			
General obligation debt		2,595,000	2,290,000
Unamortized debt premium		60,867	23,928
Lease obligation		30,425	35,405
Accrued sick leave		43,462	58,356
Net pension liability		<u>57,937</u>	<u>-</u>
Total Noncurrent Liabilities		<u>2,787,691</u>	<u>2,407,689</u>
Total Liabilities		<u>3,711,047</u>	<u>3,051,515</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension		<u>93,253</u>	<u>80,506</u>
NET POSITION			
Net investment in capital assets		13,175,346	12,886,773
Restricted for:			
Equipment replacement		450,332	397,192
Impact fee		20,823	-
Net pension asset		-	46,664
Unrestricted		<u>3,719,727</u>	<u>3,499,354</u>
TOTAL NET POSITION		<u>\$ 17,366,228</u>	<u>\$ 16,829,983</u>

See accompanying notes to the financial statements.

MCFARLAND WATER AND SEWER UTILITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
Water		
Sales of water	\$ 997,094	\$ 958,323
Other	<u>98,898</u>	<u>107,247</u>
Total Water	<u>1,095,992</u>	<u>1,065,570</u>
Sewer		
Treatment charges	1,110,249	1,074,576
Other	<u>7,760</u>	<u>7,901</u>
Total Sewer	<u>1,118,009</u>	<u>1,082,477</u>
Total Operating Revenues	<u>2,214,001</u>	<u>2,148,047</u>
OPERATING EXPENSES		
Water		
Operation and maintenance	544,329	485,142
Depreciation	<u>314,832</u>	<u>284,993</u>
Total Water	<u>859,161</u>	<u>770,135</u>
Sewer		
Operation and maintenance	1,099,568	1,071,716
Depreciation	<u>151,152</u>	<u>137,033</u>
Total Sewer	<u>1,250,720</u>	<u>1,208,749</u>
Total Operating Expenses	<u>2,109,881</u>	<u>1,978,884</u>
OPERATING INCOME (LOSS)		
Water	236,831	295,435
Sewer	<u>(132,711)</u>	<u>(126,272)</u>
Total Operating Income (Loss)	<u>104,120</u>	<u>169,163</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income	81,580	105,127
Loss on sale of equipment	(287)	(299)
Interest expense	(56,766)	(57,665)
Debt issuance costs	(15,402)	-
Amortization of premium	<u>7,256</u>	<u>6,700</u>
Total Nonoperating Revenues (Expenses)	<u>16,381</u>	<u>53,863</u>
Income Before Contributions and Transfers	120,501	223,026
CAPITAL CONTRIBUTIONS	678,404	1,898,108
TRANSFERS - TAX EQUIVALENT	<u>(262,660)</u>	<u>(249,144)</u>
CHANGE IN NET POSITION	536,245	1,871,990
NET POSITION - Beginning of Year	<u>16,829,983</u>	<u>14,957,993</u>
NET POSITION - END OF YEAR	<u><u>\$ 17,366,228</u></u>	<u><u>\$ 16,829,983</u></u>

See accompanying notes to the financial statements.

MCFARLAND WATER AND SEWER UTILITY

STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers	\$ 1,911,395	\$ 1,880,036
Received from municipality for services	325,092	313,250
Paid to suppliers for goods and services	(1,533,519)	(1,404,230)
Paid to employees for operating payroll	(103,537)	(104,932)
Net Cash Flows From Operating Activities	<u>599,431</u>	<u>684,124</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Paid to municipality for tax equivalent	<u>-</u>	<u>(505,897)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(701,008)	(1,007,548)
Capital contributions received	251,708	327,158
Debt retired	(404,775)	(369,204)
Interest paid	(54,778)	(67,750)
Proceeds from debt issue	720,000	-
Premium on new debt net of issuance costs	28,793	-
Net Cash Flows From Capital and Related Financing Activities	<u>(160,060)</u>	<u>(1,117,344)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	<u>81,580</u>	<u>105,127</u>
Net Change in Cash and Cash Equivalents	520,951	(833,990)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>3,619,672</u>	<u>4,453,662</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 4,140,623</u></u>	<u><u>\$ 3,619,672</u></u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Amortization of debt premium	\$ 7,256	\$ 6,700
Loss on sale of asset	\$ 287	\$ 299
Developer financed additions to plant	<u><u>\$ 426,696</u></u>	<u><u>\$ 1,570,950</u></u>

	<u>2019</u>	<u>2018</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	\$ 104,120	\$ 169,163
Noncash items in operating income		
Depreciation	465,984	422,026
Depreciation charged to clearing and other utilities	20,696	19,825
Changes in assets and liabilities		
Customer accounts receivable	3,420	2,201
Other accounts receivable	812	19,408
Due from municipality	(2,442)	-
Prepayments	-	52
Accounts payable	(684)	31,634
Due to other funds	-	3,805
Accrued vacation and sick leave	(14,533)	13,049
Pension related deferrals and liabilities	<u>22,058</u>	<u>2,961</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u><u>\$ 599,431</u></u>	<u><u>\$ 684,124</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENTS OF NET POSITION ACCOUNTS		
Cash and investments	\$ 3,095,892	\$ 2,693,526
Replacement account	450,332	397,192
Impact fee account	20,823	-
Water tower reserve	494,786	450,954
Depreciation reserve	<u>78,790</u>	<u>78,000</u>
CASH AND CASH EQUIVALENTS	<u><u>\$ 4,140,623</u></u>	<u><u>\$ 3,619,672</u></u>

See accompanying notes to the financial statements.

STORM WATER UTILITY

MCFARLAND STORM WATER UTILITY

STATEMENTS OF NET POSITION As of December 31, 2019 and 2018

	ASSETS	<u>2019</u>	<u>2018</u>
CURRENT ASSETS			
Cash and investments		\$ 1,005,408	\$ 1,076,266
Customer accounts receivable		72,902	73,648
Other accounts receivable		-	300
Total Current Assets		<u>1,078,310</u>	<u>1,150,214</u>
NONCURRENT ASSETS			
Restricted Assets			
Net pension asset		-	19,781
Capital Assets			
Plant in service		5,719,553	5,408,092
Accumulated depreciation		<u>(1,941,299)</u>	<u>(1,807,291)</u>
Total Noncurrent Assets		<u>3,778,254</u>	<u>3,620,582</u>
Total Assets		<u>4,856,564</u>	<u>4,770,796</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension		<u>76,303</u>	<u>38,731</u>

	LIABILITIES		<u>2019</u>	<u>2018</u>
CURRENT LIABILITIES				
Accounts payable		\$	6,919	\$ 4,140
Accrued interest			2,116	2,116
Accrued vacation leave			2,695	3,283
Current portion of lease payable			2,490	2,388
Current portion of general obligation debt			<u>155,000</u>	<u>150,000</u>
Total Current Liabilities			<u>169,220</u>	<u>161,927</u>
NONCURRENT LIABILITIES				
General obligation debt			360,000	515,000
Unamortized debt premium			2,465	3,831
Lease obligation			15,212	17,702
Accrued sick leave			8,311	31,881
Net pension liability			<u>26,800</u>	<u>-</u>
Total Noncurrent Liabilities			<u>412,788</u>	<u>568,414</u>
Total Liabilities			<u>582,008</u>	<u>730,341</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension			<u>39,045</u>	<u>38,543</u>
NET POSITION				
Net investment in capital assets			3,243,087	2,911,880
Restricted for:				
Net pension asset			-	19,781
Unrestricted			<u>1,068,727</u>	<u>1,108,982</u>
TOTAL NET POSITION			<u>\$ 4,311,814</u>	<u>\$ 4,040,643</u>

See accompanying notes to the financial statements.

MCFARLAND STORM WATER UTILITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
Charges for services	\$ 510,133	\$ 501,003
Other	<u>31,108</u>	<u>35,020</u>
Total Operating Revenues	<u>541,241</u>	<u>536,023</u>
OPERATING EXPENSES		
Operation and maintenance	294,045	274,885
Depreciation	<u>134,008</u>	<u>124,064</u>
Total Operating Expenses	<u>428,053</u>	<u>398,949</u>
OPERATING INCOME	<u>113,188</u>	<u>137,074</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income	23,454	25,425
Miscellaneous revenues	575	4,477
Interest expense	(14,190)	(13,814)
Amortization of debt premium	<u>1,366</u>	<u>1,591</u>
Total Nonoperating Revenues (Expenses)	<u>11,205</u>	<u>17,679</u>
Income Before Contributions	124,393	154,753
CAPITAL CONTRIBUTIONS	<u>146,778</u>	<u>271,738</u>
CHANGE IN NET POSITION	271,171	426,491
NET POSITION - Beginning of Year	<u>4,040,643</u>	<u>3,614,152</u>
NET POSITION - END OF YEAR	<u><u>\$ 4,311,814</u></u>	<u><u>\$ 4,040,643</u></u>

See accompanying notes to the financial statements.

MCFARLAND STORM WATER UTILITY

STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers	\$ 542,862	\$ 566,412
Paid to suppliers for goods and services	(202,376)	(181,506)
Paid to employees for operating payroll	(103,537)	(104,932)
Net Cash Flows From Operating Activities	<u>236,949</u>	<u>279,974</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(181,791)	(106,424)
Capital contributions received	17,108	25,256
Debt retired	(152,388)	(152,102)
Interest paid	(14,190)	(17,415)
Net Cash Flows From Capital and Related Financing Activities	<u>(331,261)</u>	<u>(250,685)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	<u>23,454</u>	<u>25,425</u>
Net Change in Cash and Cash Equivalents	(70,858)	54,714
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>1,076,266</u>	<u>1,021,552</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 1,005,408</u></u>	<u><u>\$ 1,076,266</u></u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Developer financed additions to utility plant	<u>\$ 129,670</u>	<u>\$ 246,482</u>
Amortization of debt premium	<u>\$ 1,366</u>	<u>\$ 1,591</u>

	<u>2019</u>	<u>2018</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH		
FLows FROM OPERATING ACTIVITIES		
Operating income	\$ 113,188	\$ 137,074
Nonoperating revenue (expense)	575	4,477
Noncash items in operating income		
Depreciation	134,008	124,064
Changes in assets and liabilities		
Customer accounts receivable	746	(234)
Other accounts receivable	300	26,430
Due from municipality	-	566
Pension related deferrals and liabilities	9,511	568
Accounts payable	2,779	(3,133)
Customer deposits	-	(850)
Accrued vacation	(588)	(508)
Accrued sick leave	<u>(23,570)</u>	<u>(8,480)</u>
 NET CASH FLOWS FROM OPERATING ACTIVITIES	 <u><u>\$ 236,949</u></u>	 <u><u>\$ 279,974</u></u>

See accompanying notes to the financial statements.

MCFARLAND UTILITIES

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2019 and 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of McFarland Utilities (utilities) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to enterprise funds of governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The significant accounting principles and policies utilized by the utilities are described below.

REPORTING ENTITY

The utilities are separate enterprise funds of the Village of McFarland (municipality). The utilities are managed by the village board. The utilities provide water, sewer, and storm water service to properties within the municipality.

The water utility operates under service rules and rates established by the Public Service Commission of Wisconsin (PSCW). The sewer and storm water utilities operate under rules and rates established by the village board. Wastewater is treated under an agreement with Madison Metropolitan Sewerage District.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The utilities are presented as enterprise funds of the municipality. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred, and net income is necessary for management accountability.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In March 2018, the GASB issued Statement No. 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. The utilities adopted this statement effective January 1, 2019.

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

Deposits and Investments

For purposes of the statement of cash flows, cash, and cash equivalents have original maturities of three months or less from the date of acquisition.

MCFARLAND UTILITIES

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2019 and 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)

Deposits and Investments (cont.)

Investment of the utilities' funds are restricted by state statutes. Investments are limited to:

- > Time deposits in any credit union, bank, savings bank or trust company.
- > Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, local professional baseball park district, local professional football stadium district, local cultural arts district the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- > Bonds or securities issued or guaranteed by the federal government.
- > The local government investment pool.
- > Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- > Securities of an open end management investment company or investment trust, subject to various conditions and investment options.
- > Repurchase agreements with public depositories, with certain conditions.

The utilities have adopted an investment policy. That policy has been adopted by the Village of McFarland. Please refer to the financial statements of the municipality for details on this policy.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Fair values may have changed significantly after year end.

Receivables/Payables

Transactions between the utilities and other funds of the municipality that are representative of lending/borrowing arrangements outstanding at year end are referred to as advances to/from other funds. All other outstanding balances between the utilities and other funds of the municipality are reported as due to/from other funds.

The utilities have the right under Wisconsin statutes to place delinquent water, sewer, and storm water bills on the tax roll for collection. As such, no allowance for uncollectible customer accounts is considered necessary.

Materials and Supplies

Materials and supplies are generally used for construction, operation, and maintenance work, not for resale. They are valued at the lower of cost or market utilizing the average cost method and charged to construction or expense when used.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

MCFARLAND UTILITIES

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2019 and 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)

Water Tower Reserve

Current water rates are designed to provide funds for future water tower painting. The utility transfers the budgeted amount each year from unrestricted cash to the internally designated account.

Depreciation Reserve

These are funds the utility has elected to set aside for future capital purchases and projects.

Special Assessments Receivable

This account represents the balances of special assessments levied against property owners for infrastructure improvements. The balances are receivable over various time periods with interest accrued annually. Some of the properties assessed are currently not developed; i.e., not attached to the water and sewer system. Payment of the assessment balance is deferred until these properties are attached to the water and sewer system.

Property Held for Future Use

This land is owned by the utility and is currently not in use.

Capital Assets

Capital assets are generally defined by the utilities as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year.

Capital assets of the utilities are recorded at cost or the estimated acquisition value at the time of contribution to the utilities. Major outlays for utility plant are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the capital assets constructed, net of interest earned on the invested proceeds over the same period. Capital assets in service are depreciated or amortized using the straight-line method over the following useful lives:

	<u>Years</u>
Water Plant	
Source of supply	34
Pumping	22 - 31
Water treatment	17
Transmission and distribution	18 - 77
General	4 - 17

MCFARLAND UTILITIES

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2019 and 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)

Capital Assets (cont.)

	<u>Years</u>
Sewer Plant	
Collecting system	50 - 100
Collecting system pumping	20 - 40
General	7 - 20
Storm Water Plant	
Storm water infrastructure	50
General	10 - 50

Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms, investments are reported at fair value.

Deferred Outflow of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time.

Accrued Vacation and Sick Leave

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements. Vested vacation and sick leave pay is accrued when earned in the financial statements. The liability is liquidated from general operating revenues of the utilities.

Long-Term Obligations

Long-term debt and other obligations are reported as utility liabilities. Bond premiums and discounts, are amortized over the life of the bonds using the straight-line or effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. The balance at year end for premiums and discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year end for the loss on refunding is shown as a deferred outflow in the statement of net position.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

MCFARLAND UTILITIES

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2019 and 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

REVENUES AND EXPENSES

The utilities distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the utility's principal ongoing operations. The principal operating revenues of the utilities are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Charges for Services

Billings are rendered and recorded bi-monthly based on metered usage. The utilities do not accrue revenues beyond billing dates.

Current water rates were approved by the PSCW effective November 13, 2019.

Current sewer utility rates were approved by the village board on December 28, 2015 and implemented on January 1, 2016.

Current storm water rates were approved by the village board on December 28, 2015 and implemented on January 1, 2016.

Capital Contributions

Cash and capital assets are contributed to the utilities from customers, the municipality, or external parties. The value of property contributed to the utilities are reported as revenue on the statements of revenues, expenses, and changes in net position.

Connection or Impact Fee

The water utility charges new customers an impact fee to connect to the system. Fees collected are recorded as capital contributions on the statements of revenues, expenses, and changes in net position.

Transfers

Transfers include the payment in lieu of taxes to the municipality.

Miscellaneous Operating Revenues

Miscellaneous revenues include forfeited discounts and water tower rental income for the water and sewer utilities, as well as erosion control permits, yard waste permits, and forfeited discounts for the storm water utility.

EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

GASB has approved GASB Statement No. 87, *Leases*, Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, and Statement No. 91, *Conduit Debt Obligations*. When they become effective, application of these standards may restate portions of these financial statements.

MCFARLAND UTILITIES

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2019 and 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

COMPARATIVE DATA

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

NOTE 2 - DEPOSITS AND INVESTMENTS

	Carrying Value as of December 31,		
	2019	2018	Risks
Checking and savings	\$ 3,082,908	\$ 2,829,724	Custodial credit
LGIP	<u>2,063,123</u>	<u>1,866,214</u>	Credit
Totals	<u>\$ 5,146,031</u>	<u>\$ 4,695,938</u>	

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Deposits in credit unions are insured by the National Credit Union Administration in the amount of \$250,000 for all share draft accounts and \$250,000 for all share certificate and regular share accounts as of December 31, 2019 and 2018.

Bank accounts and credit unions are also insured by the State Deposit Guarantee Fund (SDGF) in the amount of \$400,000.

The utilities may also maintain separate cash and investment accounts at the same financial institutions utilized by the municipality. Federal depository insurance and the SDGF apply to all municipal accounts, and accordingly, the amount of insured funds is not determinable for the utilities alone. Therefore, coverage for the utilities may be reduced. Investment income on commingled investments of the entire municipality is allocated based on average investment balances.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2019 and 2018, the fair value of the LGIP's assets were substantially equal to the utilities' share.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the utilities' deposits may not be returned to the utilities.

MCFARLAND UTILITIES

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2019 and 2018

NOTE 2 - DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk (cont.)

Deposits (cont.)

The utilities maintain certain deposits commingled with the municipality. The following is a summary of the utilities' total deposit balances at these institutions.

	2019		2018	
	<u>Bank Balance</u>	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Carrying Value</u>
McFarland State Bank	(A)	<u>\$ 3,082,908</u>	(A)	<u>\$ 2,829,724</u>
Totals		<u><u>\$ 3,082,908</u></u>		<u><u>\$ 2,829,724</u></u>

(A) - The utilities maintain certain investments commingled with the municipality. The custodial credit risk pertaining specifically to the utilities' resources cannot be determined for those accounts. Please refer to the municipality's financial statements for information on this risk.

Credit Risk

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations.

The utilities maintain certain investments commingled with the municipality. The credit risk pertaining specifically to the utilities' resources cannot be determined for those accounts. Please refer to the municipality's financial statements for information on this risk.

The utilities held investments in the Local Government Investment Pool which is an external pool that is not rated.

Investment Policy

The Village of McFarland investment policy addresses credit risk by limiting investments to State Statute allowable investments and further limiting commercial paper or municipal bonds investments to have the highest or second highest rating category as assigned by Standard & Poor's, Moody's Investor Service or other similar nationally recognized rating agency.

MCFARLAND UTILITIES

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2019 and 2018

NOTE 3 - INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

The following is a schedule of interfund balances for the years ending December 31, 2019 and 2018:

Due To	Due From	2019		2018	
		Amount	Principal Purpose	Amount	Principal Purpose
Water and Sewer Utility	Municipality	\$ 42,732	Fire protection charge	\$ 40,290	Fire protection charge
Municipality	Water and Sewer Utility	262,660	Tax equivalent	-	Tax equivalent

The following is a schedule of transfer balances for the years ending December 31, 2019 and 2018:

To	From	2019		2018	
		Amount	Principal Purpose	Amount	Principal Purpose
Municipality	Water and Sewer Utility	\$ 262,660	Tax equivalent	\$ 249,144	Tax equivalent

NOTE 4 - RESTRICTED ASSETS

Restricted Accounts

Certain proceeds of the utilities' debt, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited. The following accounts are reported as restricted assets:

Replacement Account

As a condition of receiving state and federal funds for wastewater plant construction, the utilities have established an account for replacement of certain mechanical equipment.

Impact Fee Account

The utilities have received impact fees which must be spent in accordance with local ordinances and state statutes. Those funds not spent within the ordinance guidelines and time frames must be refunded to the current property owner.

Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

MCFARLAND UTILITIES

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2019 and 2018

NOTE 4 - RESTRICTED ASSETS (cont.)

Restricted Net Position

The following calculation supports the amount of water and sewer utility restricted net position:

	<u>2019</u>	<u>2018</u>
Restricted Assets		
Replacement account	\$ 450,332	\$ 397,192
Impact fee account	20,823	-
Net pension asset	<u>-</u>	<u>46,664</u>
Total Restricted Assets	<u>471,155</u>	<u>443,856</u>
 Total Restricted Net Position as Calculated	 <u><u>\$ 471,155</u></u>	 <u><u>\$ 443,856</u></u>

The purpose of the restricted net position is as follows:

	<u>2019</u>	<u>2018</u>
Equipment replacement	\$ 450,332	\$ 397,192
Impact fee	20,823	-
Net pension asset	<u>-</u>	<u>46,664</u>
 Total Restricted Net Position	 <u><u>\$ 471,155</u></u>	 <u><u>\$ 443,856</u></u>

The following calculation supports the amount of storm water utility restricted net position:

	<u>2019</u>	<u>2018</u>
Restricted Assets		
Net pension asset	\$ -	\$ 19,781
 Total Restricted Net Position as Calculated	 <u><u>\$ -</u></u>	 <u><u>\$ 19,781</u></u>

MCFARLAND UTILITIES

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2019 and 2018

NOTE 5 - CHANGES IN CAPITAL ASSETS

Water Utility

A summary of changes in water capital assets for 2019 follows:

	Balance 1/1/19	Increases	Decreases	Balance 12/31/19
Capital assets, not being depreciated				
Land and land rights	\$ 87,550	\$ -	\$ -	\$ 87,550
Capital assets being depreciated				
Source of supply	211,239	-	-	211,239
Pumping	357,710	-	-	357,710
Water treatment	4,498	-	-	4,498
Transmission and distribution	14,316,916	780,397	44,622	15,052,691
General	426,210	55,422	-	481,632
Total Capital Assets Being Depreciated	<u>15,316,573</u>	<u>835,819</u>	<u>44,622</u>	<u>16,107,770</u>
Total Capital Assets	<u>15,404,123</u>	<u>835,819</u>	<u>44,622</u>	<u>16,195,320</u>
Less: Accumulated depreciation	<u>(4,521,588)</u>	<u>(335,816)</u>	<u>44,622</u>	<u>(4,812,782)</u>
Net Capital Assets	<u>\$ 10,882,535</u>			<u>\$ 11,382,538</u>

A summary of changes in water capital assets for 2018 follows:

	Balance 1/1/18	Increases	Decreases	Balance 12/31/18
Capital assets, not being depreciated				
Land and land rights	\$ 87,550	\$ -	\$ -	\$ 87,550
Capital assets being depreciated				
Source of supply	211,239	-	-	211,239
Pumping	357,710	-	-	357,710
Water treatment	4,498	-	-	4,498
Transmission and distribution	12,620,424	1,721,544	25,052	14,316,916
General	295,285	130,925	-	426,210
Total Capital Assets Being Depreciated	<u>13,489,156</u>	<u>1,852,469</u>	<u>25,052</u>	<u>15,316,573</u>
Total Capital Assets	<u>13,576,706</u>	<u>1,852,469</u>	<u>25,052</u>	<u>15,404,123</u>
Less: Accumulated depreciation	<u>(4,241,522)</u>	<u>(305,118)</u>	<u>25,052</u>	<u>(4,521,588)</u>
Net Capital Assets	<u>\$ 9,335,184</u>			<u>\$ 10,882,535</u>

MCFARLAND UTILITIES

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2019 and 2018

NOTE 5 - CHANGES IN CAPITAL ASSETS (cont.)

Sewer Utility

A summary of changes in sewer capital assets for 2019 follows:

	Balance 1/1/19	Increases	Decreases	Balance 12/31/19
Capital assets, not being depreciated				
Land and land rights	\$ 78,020	\$ -	\$ -	\$ 78,020
Capital assets being depreciated				
Collecting system	5,589,066	236,464	-	5,825,530
Collecting system pumping	1,043,088	-	-	1,043,088
General	330,995	55,422	-	386,417
Total Capital Assets Being Depreciated	6,963,149	291,886	-	7,255,035
Total Capital Assets	7,041,169	291,886	-	7,333,055
Less: Accumulated depreciation	(2,282,823)	(151,152)	-	(2,433,975)
Net Capital Assets	<u>\$ 4,758,346</u>			<u>\$ 4,899,080</u>

A summary of changes in sewer capital assets for 2018 follows:

	Balance 1/1/18	Increases	Decreases	Balance 12/31/18
Capital assets, not being depreciated				
Land and land rights	\$ 78,020	\$ -	\$ -	\$ 78,020
Capital assets being depreciated				
Collecting system	5,006,151	582,915	-	5,589,066
Collecting system pumping	1,043,088	-	-	1,043,088
General	200,070	130,925	-	330,995
Total Capital Assets Being Depreciated	6,249,309	713,840	-	6,963,149
Total Capital Assets	6,327,329	713,840	-	7,041,169
Less: Accumulated depreciation	(2,145,790)	(137,033)	-	(2,282,823)
Net Capital Assets	<u>\$ 4,181,539</u>			<u>\$ 4,758,346</u>

MCFARLAND UTILITIES

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2019 and 2018

NOTE 5 - CHANGES IN CAPITAL ASSETS (cont.)

Storm Water Utility

A summary of changes in storm water capital assets for 2019 follows:

	Balance 1/1/19	Increases	Decreases	Balance 12/31/19
Capital assets, not being depreciated				
Land and land rights	\$ 160,275	\$ -	\$ -	\$ 160,275
Capital assets being depreciated				
Storm water infrastructure	4,970,050	256,039	-	5,226,089
General	277,767	55,422	-	333,189
Total Capital Assets Being Depreciated	5,247,817	311,461	-	5,559,278
Total Capital Assets	5,408,092	311,461	-	5,719,553
Less: Accumulated depreciation	(1,807,291)	(134,008)	-	(1,941,299)
Net Capital Assets	<u>\$ 3,600,801</u>			<u>\$ 3,778,254</u>

A summary of changes in storm water capital assets for 2018 follows:

	Balance 1/1/18	Increases	Decreases	Balance 12/31/18
Capital assets, not being depreciated				
Land and land rights	\$ 160,275	\$ -	\$ -	\$ 160,275
Capital assets being depreciated				
Storm water infrastructure	4,565,271	404,779	-	4,970,050
General	277,767	-	-	277,767
Total Capital Assets Being Depreciated	4,843,038	404,779	-	5,247,817
Total Capital Assets	5,003,313	404,779	-	5,408,092
Less: Accumulated depreciation	(1,683,227)	(124,064)	-	(1,807,291)
Net Capital Assets	<u>\$ 3,320,086</u>			<u>\$ 3,600,801</u>

MCFARLAND UTILITIES

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2019 and 2018

NOTE 6 - LEASES

The water and sewer utility assets acquired through capital leases are as follows:

	December 31	
	2019	2018
Wheel loader	\$ 44,384	\$ 44,384
Less: Accumulated depreciation	<u>12,562</u>	<u>6,281</u>
Totals	<u>\$ 31,822</u>	<u>\$ 38,103</u>

The future minimum lease obligations and the net present value of these future minimum lease payments are as follows:

Year Ending December 31,

2020	\$ 6,372
2021	<u>30,530</u>
Total Minimum Lease Payments	36,902
Less: Amount representing interest	<u>1,497</u>
Present Value of Minimum Lease Payments	<u>\$ 35,405</u>

The storm water utility assets acquired through capital leases are as follows:

	December 31	
	2019	2018
Wheel loader	\$ 22,192	\$ 22,192
Less: Accumulated depreciation	<u>4,438</u>	<u>2,219</u>
Totals	<u>\$ 17,754</u>	<u>\$ 19,973</u>

The future minimum lease obligations and the net present value of these future minimum lease payments are as follows:

Year Ending December 31,

2020	\$ 3,186
2021	<u>15,265</u>
Total Minimum Lease Payments	18,451
Less: Amount representing interest	<u>749</u>
Present Value of Minimum Lease Payments	<u>\$ 17,702</u>

MCFARLAND UTILITIES

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2019 and 2018

NOTE 7 - LONG-TERM OBLIGATIONS

General Obligation Debt - Water and Sewer Utility

The following general obligation notes have been issued:

Date	Purpose	Final Maturity	Interest Rate	Original Amount	Outstanding Amount 12/31/19
6/23/15	2015 and 2016 improvement projects	12/1/2024	2.00%	\$ 2,495,000	\$ 1,615,000
7/20/17	2017 improvement projects	12/1/2025	1.20	845,000	675,000
8/01/19	2019 improvement projects	12/1/2028	2.00 - 3.00	720,000	720,000

General obligation notes debt service requirements to maturity follows:

Year Ending December 31	Principal	Interest	Total
2020	\$ 415,000	\$ 72,245	\$ 487,245
2021	500,000	57,315	557,315
2022	510,000	47,053	557,053
2023	525,000	36,910	561,910
2024	550,000	26,410	576,410
2025-2028	510,000	31,550	541,550
Totals	<u>\$ 3,010,000</u>	<u>\$ 271,483</u>	<u>\$ 3,281,483</u>

General Obligation Debt - Storm Water Utility

The following general obligation notes have been issued:

Date	Purpose	Final Maturity	Interest Rate	Original Amount	Outstanding Amount 12/31/19
12/1/11	Various capital projects and repayment of advance	9/1/2021	2.14%	\$ 875,000	\$ 190,000
6/23/15	2015 and 2016 improvement projects	12/1/2024	2.00	500,000	325,000

MCFARLAND UTILITIES

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2019 and 2018

NOTE 7 - LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt - Storm Water Utility (cont.)

General obligation notes debt service requirements to maturity follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 155,000	\$ 11,005	\$ 166,005
2021	160,000	7,668	167,668
2022	65,000	4,040	69,040
2023	65,000	2,805	67,805
2024	<u>70,000</u>	<u>1,504</u>	<u>71,504</u>
Totals	<u>\$ 515,000</u>	<u>\$ 27,022</u>	<u>\$ 542,022</u>

Long-Term Obligations Summary - Water and Sewer Utility

Long-term obligation activity for the year ended December 31, 2019 is as follows:

	<u>1/1/19 Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/19 Balance</u>	<u>Due Within One Year</u>
General obligation debt	\$ 2,690,000	\$ 720,000	\$ 400,000	\$ 3,010,000	\$ 415,000
Accrued sick leave	58,356	3,290	18,184	43,462	-
Lease obligation	40,180	-	4,775	35,405	4,980
Unamortized debt premium	<u>23,928</u>	<u>44,195</u>	<u>7,256</u>	<u>60,867</u>	<u>-</u>
Totals	<u>\$ 2,812,464</u>	<u>\$ 767,485</u>	<u>\$ 430,215</u>	<u>\$ 3,149,734</u>	<u>\$ 419,980</u>

Long-term obligation activity for the year ended December 31, 2018 is as follows:

	<u>1/1/18 Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/18 Balance</u>	<u>Due Within One Year</u>
General obligation debt	\$ 3,055,000	\$ -	\$ 365,000	\$ 2,690,000	\$ 400,000
Accrued sick leave	47,214	94,334	83,192	58,356	-
Lease obligation	44,384	-	4,204	40,180	4,775
Unamortized debt premium	<u>30,628</u>	<u>-</u>	<u>6,700</u>	<u>23,928</u>	<u>-</u>
Totals	<u>\$ 3,177,226</u>	<u>\$ 94,334</u>	<u>\$ 459,096</u>	<u>\$ 2,812,464</u>	<u>\$ 404,775</u>

MCFARLAND UTILITIES

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2019 and 2018

NOTE 7 - LONG-TERM OBLIGATIONS (cont.)

Long-Term Obligations Summary - Storm Water Utility

Long-term obligation activity for the year ended December 31, 2019 is as follows:

	1/1/19 Balance	Additions	Reductions	12/31/19 Balance	Due Within One Year
General obligation debt	\$ 665,000	\$ -	\$ 150,000	\$ 515,000	\$ 155,000
Accrued sick leave	31,881	-	23,570	8,311	-
Lease obligation	20,090	-	2,388	17,702	2,490
Unamortized debt premium	3,831	-	1,366	2,465	-
Totals	<u>\$ 720,802</u>	<u>\$ -</u>	<u>\$ 177,324</u>	<u>\$ 543,478</u>	<u>\$ 157,490</u>

Long-term obligation activity for the year ended December 31, 2018 is as follows:

	1/1/18 Balance	Additions	Reductions	12/31/18 Balance	Due Within One Year
General obligation debt	\$ 815,000	\$ -	\$ 150,000	\$ 665,000	\$ 150,000
Accrued sick leave	40,361	94,334	102,814	31,881	-
Lease obligation	22,192	-	2,102	20,090	2,388
Unamortized debt premium	5,422	-	1,591	3,831	-
Totals	<u>\$ 882,975</u>	<u>\$ 94,334</u>	<u>\$ 256,507</u>	<u>\$ 720,802</u>	<u>\$ 152,388</u>

NOTE 8 - NET POSITION

GASB No. 34 requires the classification of net position into three components - net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net investment in capital assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

MCFARLAND UTILITIES

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2019 and 2018

NOTE 8 - NET POSITION (cont.)

Unrestricted net position - This component of net position consists of net positions that do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the utilities' policy to use restricted resources first, then unrestricted resources as they are needed.

The following calculation supports the water and sewer utility net investment in capital assets:

	<u>2019</u>	<u>2018</u>
Plant in service	\$ 23,528,375	\$ 22,445,292
Accumulated depreciation	<u>(7,246,757)</u>	<u>(6,804,411)</u>
Sub-Totals	<u>16,281,618</u>	<u>15,640,881</u>
Less: Capital related debt		
Current portion of capital related long-term debt	419,980	404,775
Long-term portion of capital related long-term debt	2,625,425	2,325,405
Unamortized debt premium	<u>60,867</u>	<u>23,928</u>
Sub-Totals	<u>3,106,272</u>	<u>2,754,108</u>
Total Net Investment in Capital Assets	<u>\$ 13,175,346</u>	<u>\$ 12,886,773</u>

The following calculation supports the storm water utility net investment in capital assets:

	<u>2019</u>	<u>2018</u>
Plant in service	\$ 5,719,553	\$ 5,408,092
Accumulated depreciation	<u>(1,941,299)</u>	<u>(1,807,291)</u>
Sub-Totals	<u>3,778,254</u>	<u>3,600,801</u>
Less: Capital related debt		
Current portion of capital related long-term debt	157,490	152,388
Long-term portion of capital related long-term debt	375,212	532,702
Unamortized debt premium	<u>2,465</u>	<u>3,831</u>
Sub-Totals	<u>535,167</u>	<u>688,921</u>
Total Net Investment in Capital Assets	<u>\$ 3,243,087</u>	<u>\$ 2,911,880</u>

MCFARLAND UTILITIES

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2019 and 2018

NOTE 9 - EMPLOYEES RETIREMENT SYSTEM

General Information About the Pension Plan

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants, if hired on or before 12/31/2016) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

MCFARLAND UTILITIES

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2019 and 2018

NOTE 9 - EMPLOYEES RETIREMENT SYSTEM (cont.)

General Information About the Pension Plan (cont.)

Post-retirement adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable Fund Adjustment
2009	(2.1)%	(42)%
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4.0
2018	2.4	17.0

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

The WRS recognized \$24,775 and \$24,430 in contributions from the utilities during the current and prior reporting periods, respectively.

Contribution rates as of December 31, 2019 and December 31, 2018 are:

	2019		2018	
	Employee	Employer	Employee	Employer
General (including Executives and Elected Officials)	6.7%	6.7%	6.8%	6.8%
Protective with Social Security	6.7%	10.7%	6.8%	10.6%
Protective without Social Security	6.7%	14.9%	6.8%	14.9%

MCFARLAND UTILITIES

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2019 and 2018

NOTE 9 - EMPLOYEES RETIREMENT SYSTEM (cont.)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the utilities reported a liability (asset) of \$84,737 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The utilities' proportion of the net pension liability (asset) was based on the utilities' share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the Village of McFarland's proportion was 0.02660430%, which was an increase of 0.00134087% from its proportion measured as of December 31, 2017.

At December 31, 2018, the utilities reported a liability (asset) of \$(66,445) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The utilities' proportion of the net pension liability (asset) was based on the utilities' share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the Village of McFarland's proportion was 0.02526343%, which was an increase of 0.00122376% from its proportion measured as of December 31, 2016.

For the years ended December 31, 2019 and 2018, the utilities recognized pension expense of \$41,357 and \$32,499, respectively.

At December 31, 2019, the utilities reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Water and Sewer Utility</u>		<u>Storm Water Utility</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 47,741	\$ 92,893	\$ 18,912	\$ 38,889
Changes in assumption	14,132	-	5,179	-
Net differences between project and actual earnings on pension plan	107,917	-	44,525	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,178	360	248	156
Employer contributions subsequent to the measurement date	<u>18,487</u>	<u>-</u>	<u>7,439</u>	<u>-</u>
Total	<u>\$ 189,455</u>	<u>\$ 93,253</u>	<u>\$ 76,303</u>	<u>\$ 39,045</u>

MCFARLAND UTILITIES

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2019 and 2018

NOTE 9 - EMPLOYEES RETIREMENT SYSTEM (cont.)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (cont.)

At December 31, 2018, the utilities reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Water and Sewer Utility</u>		<u>Storm Water Utility</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 60,962	\$ 40,422	\$ 25,027	\$ 14,617
Changes in assumption	13,439	-	4,859	-
Net differences between project and actual earnings on pension plan	-	39,812	-	23,810
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,769	272	521	116
Employer contributions subsequent to the measurement date	<u>17,995</u>	<u>-</u>	<u>8,324</u>	<u>-</u>
Total	<u>\$ 94,165</u>	<u>\$ 80,506</u>	<u>\$ 38,731</u>	<u>\$ 38,543</u>

Deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date reported in the tables above will be recognized as a reduction of the net pension liability (asset) in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>Water and Sewer Utility</u>	<u>Storm Water Utility</u>
<u>Year Ended December 31</u>		
2020	\$ 28,443	\$ 10,913
2021	7,080	2,717
2022	12,174	4,671
2023	30,018	11,518
2024	-	-
Thereafter	<u>-</u>	<u>-</u>
Total	<u>\$ 77,715</u>	<u>\$ 29,819</u>

MCFARLAND UTILITIES

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2019 and 2018

NOTE 9 - EMPLOYEES RETIREMENT SYSTEM (cont.)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (cont.)

Actuarial assumptions. The total pension liability in the actuarial valuation used in the current and prior year was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2019	2018
Actuarial valuation date	December 31, 2017	December 31, 2016
Measurement date of net pension liability (asset)	December 31, 2018	December 31, 2017
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	Fair Value	Fair Value
Long-term expected rate of return	7.0%	7.2%
Discount rate	7.0%	7.2%
Salary increases		
Inflation	3.0%	3.2%
Seniority/Merit	0.1% - 5.6%	0.2% - 5.6%
Mortality	Wisconsin 2018 Mortality Table	Wisconsin 2012 Mortality Table
Post-retirement adjustments *	1.9%	2.1%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. The percentages listed above are the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions used in the December 31, 2017 actuarial valuation is based upon an experience study conducted in 2018 using experience from 2015 – 2017. The total pension liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

Actuarial assumptions used in the December 31, 2016 actuarial valuation is based upon an experience study conducted in 2015 using experience from 2012 – 2014. The total pension liability for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

MCFARLAND UTILITIES

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2019 and 2018

NOTE 9 - EMPLOYEES RETIREMENT SYSTEM (cont.)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (cont.)

Long-term expected return on plan assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of December 31, 2019 are summarized in the following table:

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	49%	8.1%	5.5%
Fixed Income	24.5	4.0	1.45
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.47
<u>Variable Fund Asset Class</u>			
U.S Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.5%.
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

MCFARLAND UTILITIES

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2019 and 2018

NOTE 9 - EMPLOYEES RETIREMENT SYSTEM (cont.)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (cont.)

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of December 31, 2018 are summarized in the following table:

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	50%	8.2%	5.3%
Fixed Income	24.5	4.2	1.4
Inflation Sensitive Assets	15.5	3.8	1.0
Real Estate	8	6.5	3.6
Private Equity/Debt	8	9.4	6.5
Multi-Asset	4	6.5	3.6
Total Core Fund	110	7.3	4.4
 <u>Variable Fund Asset Class</u>			
U.S Equities	70	7.5	4.6
International Equities	30	7.8	4.9
Total Variable Fund	100	7.9	5.0

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.75%.
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

Single discount rate. A single discount rate of 7.00% and 7.20% was used to measure the total pension liability as of December 31, 2019 and December 31, 2018, respectively. As of December 31, 2019, the single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a long term bond rate of 3.71%. As of December 31, 2018, the single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.31%. Because of the unique structure of WRS, the 7.00% (7.20% for 2018) expected rate of return implies that a dividend of approximately 1.9% (2.1% for 2018) will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

MCFARLAND UTILITIES

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2019 and 2018

NOTE 9 - EMPLOYEES RETIREMENT SYSTEM (cont.)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (cont.)

Sensitivity of the utilities' proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the utilities' proportionate share of the net pension liability (asset) calculated using the current discount rate, as well as what the utilities' proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

The sensitivity analysis as of December 31, 2019 follows:

	<u>1% Decrease to Discount Rate (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase to Discount Rate (8.00%)</u>
Water and Sewer Utility's proportionate share of the net position liability (asset)	\$ 228,945	\$ 57,937	\$ (69,792)
Stormwater Utility's proportionate share of the net position liability (asset)	92,125	26,800	(28,084)

The sensitivity analysis as of December 31, 2018 follows:

	<u>1% Decrease to Discount Rate (6.20%)</u>	<u>Current Discount Rate (7.20%)</u>	<u>1% Increase to Discount Rate (8.20%)</u>
Water and Sewer Utility's proportionate share of the net position liability (asset)	\$ 118,816	\$ (46,664)	\$ (171,128)
Stormwater Utility's proportionate share of the net position liability (asset)	54,961	(19,781)	(79,159)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/Publications/cafr.htm>.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Long-Term Contracts - General

At December 31, 2019 and 2018, the utilities had commitments under a long-term contract for the Juniper Ridge subdivision. The utility is responsible for the cost of certain infrastructure including the oversizing of mains. The utilities received capital contributions of \$556,366 and \$305,182 in 2019 and 2018, respectively. The utility was not required to make any payments in either year.

MCFARLAND UTILITIES

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2019 and 2018

NOTE 10 - COMMITMENTS AND CONTINGENCIES (cont.)

Claims and Judgments

From time to time, the utilities are party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the utilities' legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the utilities' financial position or results of operations.

NOTE 11 - RISK MANAGEMENT

The utilities are exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors, and omissions; workers compensation; and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial liability in any of the past three years. There were no significant reductions in coverage compared to the prior year.

NOTE 12 - SUBSEQUENT EVENTS

The utilities evaluated subsequent events through May 19, 2020, the date that the financial statements were available to be issued, for events requiring recording or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

MCFARLAND UTILITIES

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2019

The required supplementary information presented below represents the proportionate information for the enterprise funds included in this report.

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset) - City	Utilities' Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/19	0.02660430%	\$ 84,737	\$ 392,821	21.57%	96.45%
12/31/18	0.02526343%	(66,445)	359,265	18.49%	102.93%
12/31/17	0.02403967%	19,856	388,576	5.11%	99.12%
12/31/16	0.02415237%	43,275	379,603	11.40%	98.20%
12/31/15	0.02466399%	(66,963)	302,389	22.14%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2019

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/19	\$ 25,926	\$ 25,926	\$ -	\$ 304,653	8.51%
12/31/18	26,319	26,319	-	392,821	6.70%
12/31/17	24,430	24,430	-	359,265	6.80%
12/31/16	25,646	25,646	-	388,576	6.60%
12/31/15	25,813	25,813	-	379,603	6.80%

See independent auditors' report and accompanying notes to the required supplementary information.

MCFARLAND UTILITIES

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended December 31, 2019

Changes of benefit terms . There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions .

	2015 - 2018	2019
Long-term expected rate of	7.2%	7.0%
Discount rate	7.2%	7.0%
Salary increases		
Inflation	3.2%	3.0%
Seniority/Merit	0.2% - 5.6%	0.1% - 5.6%
Mortality	Wisconsin 2012 Mortality Table	Wisconsin 2018 Mortality Table
Post-retirement adjustments	2.10%	1.90%

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

See independent auditors' report.

SUPPLEMENTAL INFORMATION

MCFARLAND WATER AND SEWER UTILITY

WATER UTILITY PLANT As of and for the Year Ended December 31, 2019

	Balance 1/1/19	Additions	Retirements	Balance 12/31/19
SOURCE OF SUPPLY				
Land and land rights	\$ 32,300	\$ -	\$ -	\$ 32,300
Wells and springs	211,239	-	-	211,239
Total Source of Supply	<u>243,539</u>	<u>-</u>	<u>-</u>	<u>243,539</u>
PUMPING				
Structures and improvements	145,092	-	-	145,092
Electric pumping equipment	190,402	-	-	190,402
Other pumping equipment	22,216	-	-	22,216
Total Pumping	<u>357,710</u>	<u>-</u>	<u>-</u>	<u>357,710</u>
WATER TREATMENT				
Water treatment equipment	<u>4,498</u>	<u>-</u>	<u>-</u>	<u>4,498</u>
TRANSMISSION AND DISTRIBUTION				
Land and land rights	55,250	-	-	55,250
Distribution reservoirs and standpipes	1,231,105	-	-	1,231,105
Transmission and distribution mains	9,478,531	545,768	17,054	10,007,245
Services	1,829,199	120,295	12,901	1,936,593
Meters	734,803	37,087	1,526	770,364
Hydrants	1,043,278	77,247	13,141	1,107,384
Total Transmission and Distribution	<u>14,372,166</u>	<u>780,397</u>	<u>44,622</u>	<u>15,107,941</u>
GENERAL				
Office furniture and equipment	9,946	-	-	9,946
Transportation equipment	121,565	49,973	-	171,538
Tools, shop and garage equipment	48,766	-	-	48,766
Laboratory equipment	6,649	-	-	6,649
Power-operated equipment	70,910	-	-	70,910
Communication equipment	168,072	5,449	-	173,521
Miscellaneous equipment	302	-	-	302
Total General	<u>426,210</u>	<u>55,422</u>	<u>-</u>	<u>481,632</u>
TOTAL WATER UTILITY PLANT	<u><u>\$ 15,404,123</u></u>	<u><u>\$ 835,819</u></u>	<u><u>\$ 44,622</u></u>	<u><u>\$16,195,320</u></u>

MCFARLAND WATER AND SEWER UTILITY

SEWER UTILITY PLANT As of and for the Year Ended December 31, 2019

	Balance 1/1/19	Additions	Retirements	Balance 12/31/19
COLLECTING SYSTEM				
Land and land rights	\$ 78,020	\$ -	\$ -	\$ 78,020
Service connections	664,600	-	-	664,600
Collecting mains	4,733,433	236,464	-	4,969,897
Force mains	191,033	-	-	191,033
Total Collecting System	<u>5,667,086</u>	<u>236,464</u>	<u>-</u>	<u>5,903,550</u>
COLLECTING SYSTEM PUMPING				
Structures and improvements	303,762	-	-	303,762
Receiving wells	14,403	-	-	14,403
Electric pumping equipment	661,422	-	-	661,422
Other power pumping equipment	60,159	-	-	60,159
Miscellaneous pumping equipment	3,342	-	-	3,342
Total Collecting System Pumping	<u>1,043,088</u>	<u>-</u>	<u>-</u>	<u>1,043,088</u>
GENERAL				
Office furniture and equipment	9,948	-	-	9,948
Transportation equipment	168,117	49,973	-	218,090
Communication equipment	132,000	5,449	-	137,449
Other general equipment	2,313	-	-	2,313
Other tangible property	18,617	-	-	18,617
Total General	<u>330,995</u>	<u>55,422</u>	<u>-</u>	<u>386,417</u>
TOTAL SEWER UTILITY PLANT	<u><u>\$ 7,041,169</u></u>	<u><u>\$ 291,886</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,333,055</u></u>

MCFARLAND STORM WATER UTILITY

STORMWATER UTILITY PLANT
As of and for the Year Ended December 31, 2019

	Balance 1/1/19	Additions	Retirements	Balance 12/31/19
STORMWATER PLANT				
Land and land rights	\$ 160,275	\$ -	\$ -	\$ 160,275
Pipes	3,057,244	136,162	-	3,193,406
Manholes	393,231	-	-	393,231
Inlets	554,453	99,877	-	654,330
Basins	719,431	-	-	719,431
Land improvements	153,321	-	-	153,321
Miscellaneous	<u>92,370</u>	<u>20,000</u>	-	<u>112,370</u>
Total Stormwater Plant	<u>5,130,325</u>	<u>256,039</u>	-	<u>5,386,364</u>
GENERAL				
Transportation equipment	258,075	49,973	-	308,048
Power-operated equipment	18,617	-	-	18,617
Communication equipment	<u>1,075</u>	<u>5,449</u>	-	<u>6,524</u>
Total General	<u>277,767</u>	<u>55,422</u>	-	<u>333,189</u>
 TOTAL STORMWATER UTILITY PLANT	 <u><u>\$ 5,408,092</u></u>	 <u><u>\$ 311,461</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ 5,719,553</u></u>

MCFARLAND WATER AND SEWER UTILITY

WATER UTILITY OPERATING REVENUES AND EXPENSES For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
Sales of Water		
Unmetered	\$ 3,405	\$ 1,964
Metered		
Residential	514,420	498,323
Multifamily residential	39,175	33,361
Commercial	63,598	61,109
Public authorities	15,877	15,825
Total Metered Sales	633,070	608,618
Private fire protection	35,527	34,491
Public fire protection	325,092	313,250
Total Sales of Water	997,094	958,323
Other Operating Revenues		
Forfeited discounts	4,143	5,242
Miscellaneous service revenue	231	-
Other	94,524	102,005
Total Operating Revenues	1,095,992	1,065,570
OPERATING EXPENSES		
Operation and Maintenance		
Pumping		
Operation labor	12,749	33,674
Fuel or power purchased for pumping	41,464	37,973
Operation supplies	32,199	4,434
Maintenance	4,334	3,116
Total Pumping	90,746	79,197
Water Treatment		
Operation labor	16,475	3,382
Chemicals	11,726	11,326
Maintenance	587	1,546
Total Water Treatment	28,788	16,254
Transmission and Distribution		
Operation labor	7,509	37,734
Operation supplies	2,425	3,588
Maintenance		
Mains	49,614	28,816
Services	8,359	8,078
Meters	6,356	512
Hydrants	7,337	14,959
Other	414	-
Total Transmission and Distribution	82,014	93,687
Customer Accounts		
Meter reading labor	2,084	1,087
Accounting and collecting labor	8,316	4,381
Supplies	37	3,227
Total Customer Accounts	10,437	8,695

MCFARLAND WATER AND SEWER UTILITY

WATER UTILITY OPERATING REVENUES AND EXPENSES (cont.) For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
OPERATING EXPENSES (cont.)		
Operation and Maintenance (cont.)		
Administrative and General		
Salaries	\$ 101,891	\$ 91,439
Office supplies	15,243	5,140
Outside services employed	37,788	22,947
Property insurance	72,648	62,701
Employee pensions and benefits	33,782	28,072
Miscellaneous	51,087	48,555
Transportation	13,599	20,528
Total Administrative and General	<u>326,038</u>	<u>279,382</u>
Taxes	6,306	7,927
Total Operation and Maintenance	<u>544,329</u>	<u>485,142</u>
Depreciation	<u>314,832</u>	<u>284,993</u>
Total Operating Expenses	<u>859,161</u>	<u>770,135</u>
 OPERATING INCOME	 <u><u>\$ 236,831</u></u>	 <u><u>\$ 295,435</u></u>

MCFARLAND WATER AND SEWER UTILITY

SEWER UTILITY OPERATING REVENUES AND EXPENSES For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
Sewer Revenues		
Residential	\$ 920,331	\$ 869,184
Multifamily residential	17,400	-
Commercial	148,116	184,767
Public authorities	<u>24,402</u>	<u>20,625</u>
Total Sewer Revenues	<u>1,110,249</u>	<u>1,074,576</u>
Other Operating Revenues		
Forfeited discounts	<u>7,760</u>	<u>7,901</u>
Total Operating Revenues	<u>1,118,009</u>	<u>1,082,477</u>
OPERATING EXPENSES		
Operation and Maintenance		
Operation		
Power and fuel for pumping	8,328	8,166
Treatment charges	708,445	667,261
Other operating supplies	268	423
Transportation	<u>1,314</u>	<u>13,985</u>
Total Operation	<u>718,355</u>	<u>689,835</u>
Maintenance		
Collection system	49,709	27,122
Pumping equipment	4,969	6,800
Treatment and disposal plant equipment	5,769	1,143
General plant structures and equipment	<u>30,447</u>	<u>41,232</u>
Total Maintenance	<u>90,894</u>	<u>76,297</u>
Customer Accounts		
Accounting and collecting	4,303	4,274
Meter Reading	<u>459</u>	<u>468</u>
Total Customer Accounts	<u>4,762</u>	<u>4,742</u>
Administrative and General		
Salaries	116,128	93,584
Office supplies	5,533	6,440
Outside services employed	21,763	71,919
Insurance	41,991	35,978
Employees pensions and benefits	1,778	10,151
Miscellaneous	5,915	5,204
Rents	<u>81,707</u>	<u>69,145</u>
Total Administrative and General	<u>274,815</u>	<u>292,421</u>
Taxes	<u>10,742</u>	<u>8,421</u>
Total Operation and Maintenance	1,099,568	1,071,716
Depreciation	<u>151,152</u>	<u>137,033</u>
Total Operating Expenses	<u>1,250,720</u>	<u>1,208,749</u>
OPERATING LOSS	<u><u>\$ (132,711)</u></u>	<u><u>\$ (126,272)</u></u>

MCFARLAND STORM WATER UTILITY

STORMWATER OPERATING REVENUES AND EXPENSES For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
Stormwater Revenues		
Charges for services	\$ 510,133	\$ 501,003
Other Operating Revenues		
Forfeited discounts	2,668	2,590
Other	<u>28,440</u>	<u>32,430</u>
Total Operating Revenues	<u>541,241</u>	<u>536,023</u>
OPERATING EXPENSES		
Operation and Maintenance		
Operations		
Operation supervision and labor	85,535	110,800
Facility equipment and rental	39,714	30,471
Operation supplies	<u>60,116</u>	<u>48,776</u>
Total Operations	<u>185,365</u>	<u>190,047</u>
Administrative and General		
Office Supplies	2,197	2,361
Outside services employed	31,288	21,637
Property insurance	24,071	21,774
Employee pensions and benefits	50,995	38,265
Miscellaneous	<u>129</u>	<u>801</u>
Total Administrative and General	<u>108,680</u>	<u>84,838</u>
Total Operation and Maintenance	<u>294,045</u>	<u>274,885</u>
Depreciation	<u>134,008</u>	<u>124,064</u>
Total Operating Expenses	<u>428,053</u>	<u>398,949</u>
 OPERATING INCOME	 <u><u>\$ 113,188</u></u>	 <u><u>\$ 137,074</u></u>

MCFARLAND WATER AND SEWER UTILITY

RATE OF RETURN - REGULATORY BASIS For the Years Ended December 31, 2019 and 2018

	Water	
	2019	2018
Utility Financed Plant in Service		
Beginning of year	\$ 9,256,085	\$ 8,581,405
End of year	<u>9,745,679</u>	<u>9,256,085</u>
Average	<u>9,500,882</u>	<u>8,918,745</u>
Utility Financed Accumulated Depreciation		
Beginning of year	(2,968,143)	(2,780,691)
End of year	<u>(3,154,834)</u>	<u>(2,968,143)</u>
Average	<u>(3,061,489)</u>	<u>(2,874,417)</u>
Materials and Supplies		
Beginning of year	19,450	19,450
End of year	<u>19,450</u>	<u>19,450</u>
Average	<u>19,450</u>	<u>19,450</u>
Regulatory Liability		
Beginning of year	(114,112)	(136,934)
End of year	<u>(91,290)</u>	<u>(114,112)</u>
Average	<u>(102,701)</u>	<u>(125,523)</u>
 AVERAGE NET RATE BASE	 <u>\$ 6,356,142</u>	 <u>\$ 5,938,255</u>
 OPERATING INCOME - REGULATORY BASIS	 <u>\$ 100,732</u>	 <u>\$ 141,866</u>
 RATE OF RETURN (PERCENT)	 <u>1.58</u>	 <u>2.39</u>
 AUTHORIZED RATE OF RETURN (PERCENT)	 <u>7.25</u>	 <u>7.25</u>

This schedule is computed based on Public Service Commission of Wisconsin regulatory accounting which differs from accounting principles generally accepted in the United States of America due to GASB No. 34 as well as PSC order 05-US-105.

Reporting and insights from 2019 audit:

Village of McFarland, Wisconsin

December 31, 2019

Executive summary

We have completed our audit of the financial statements of the Village of McFarland (the Village) for the year ended December 31, 2019, and have issued our report thereon dated May 19, 2019. This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of your Village's operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

Additionally, we have included information on key risk areas the Village of McFarland should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization's financial stability and future planning.

If you have questions at any point, please connect with us:

- Carla Gogin, Partner: carla.gogin@bakertilly.com +1 (608) 240 2460
- Casandra Chase, Senior Associate: casandra.chase@bakertilly.com or +1 (608) 240 6785

Sincerely,

Baker Tilly Virchow Krause, LLP



Baker Tilly Virchow Krause, LLP

Carla A. Gogin, CPA, Partner

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THIS COMMUNICATION IS INTENDED SOLELY FOR THE INFORMATION AND USE OF THOSE CHARGED WITH GOVERNANCE, AND, IF APPROPRIATE, MANAGEMENT, AND IS NOT INTENDED TO BE AND SHOULD NOT BE USED BY ANYONE OTHER THAN THESE SPECIFIED PARTIES.

Audit objectives

Audit objectives

Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is a consideration of the Village's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements prepared by management, with the oversight of the Village Board:
 - Are free from material misstatement
 - Present fairly, in all material respects, and in accordance with accounting principles generally accepted in the United States of America

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of those charged with governance, including:

- Qualitative aspects of the Village's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant difficulties encountered
- Disagreements with management
- Corrected and uncorrected misstatements
- Internal control matters
- Significant estimates
- Other findings or issues arising from the audit

Management's responsibilities

Management	Auditor
 Prepare and fairly present the financial statements	Our audit does not relieve management or those charged with governance of their responsibilities
 Establish and maintain effective internal control over financial reporting	An audit includes consideration of internal control over financial reporting, but not an expression of an opinion on those controls
 Provide us with written representations at the conclusion of the audit	See Appendix B for a copy of management's representations

Audit status



Audit status

Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.

Audit approach and results



Audit approach and results

Planned scope and timing

Audit focus

Based on our understanding of the Village and environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates
- Implementation of new accounting standards

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about the Village's current year results.

Implementation of GASB No. 84 reporting fiduciary activities

During the current year, your government implemented GASB Statement No. 84 – *Fiduciary Activities*. This standard was issued to provide a clear foundation and reduce inconsistencies in reporting of fiduciary activities. Implementation of this standard required the evaluation of various activities and application of specific criteria to determine the fiduciary activities that required reporting. As a result of this standard you will note the following changes in your financial statements from prior years:

- Change in the activity that is reported through the tax collection custodial fund
- Presentation of additions and deductions on the statement of changes in fiduciary net position

Implementation of GASB No. 88 certain disclosures related to debt

During the current year, your government implemented GASB Statement No. 88 – *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. The standard requires additional footnote disclosures which have been included in your financial statements.

Key areas of focus and significant findings

Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

Significant risk areas	Testing approach	Conclusion
Management override of controls	Incorporate unpredictability into audit procedures, emphasize professional skepticism and utilize audit team with industry expertise	Procedures identified provided sufficient evidence for our audit opinion
Improper revenue recognition due to fraud	Confirmation or validation of certain revenues supplemented with detailed predictive analytics based on non-financial data and substantive testing of related receivables	Procedures identified provided sufficient evidence for our audit opinion

Other key areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk, but were determined to require specific awareness and a unique audit response.

Other key areas of emphasis		
Cash and investments	Revenues and receivables	General disbursements
Payroll	Long-term debt	Net position calculations
Capital assets including infrastructure	Financial reporting and required disclosures	

Internal control matters

We considered the Village's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements. We are not expressing an opinion on the effectiveness of the Village's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We identified the following deficiencies as material weaknesses:

- **Missing Key Controls**

There are certain controls that are not currently in place related to significant transaction cycles. As a result, there is a risk that erroneous or unauthorized transactions or misstatements could occur without the knowledge of management or the governing body. Our recommendations for strengthening controls are listed below.

Financial Statement Close Process

Properly designed systems of internal control provide your organization with the ability to process and record accurate monthly and year-end transactions and annual financial reports.

Our audit includes a review and evaluation of the internal controls relating to financial reporting. Common attributes of a properly designed system of internal control for financial reporting are as follows:

- There is adequate staffing to prepare financial reports throughout the year and at year-end.
- Material misstatements are identified and corrected during the normal course of duties.
- Complete and accurate financial statements, including footnotes, are prepared.
- Financial reports are independently reviewed for completeness and accuracy.

Our evaluation of the internal controls over financial reporting has identified control deficiencies that are considered material weakness surrounding the preparation of financial statements and footnotes, adjusting journal entries identified by the auditors, and an independent review of financial reports.

Management has not prepared financial statements that are in conformity with generally accepted accounting principles. In addition, material misstatements in the general ledger were identified during the financial audit.

Other comments and recommendations

- **Water Department Earnings**

The water utility's net operating income decreased from \$295,000 in 2018 to \$237,000 in 2019. Operating revenues increased \$30,000 primarily due to an increase in metered sales revenue. In addition, there was an increase of \$89,000 in operating expenses mostly due to an increase in administrative and general expenses. The rate of return for 2019 was 1.58% compared to 2018 was 2.39%.

- **Sewer Department Earnings**

The sewer utility recognized an operating loss of \$133,000 in 2019 compared to an operating loss of \$126,000 in 2018. Sewer operating revenues increased by \$36,000 due to an increase in commercial customer charges. Operating expenses increased \$41,000 primarily due to an increase in treatment charges from MMSD.

- **Storm water Department Earnings**

The utility recognized net operating income of \$113,000 in 2019 compared to \$137,000 in 2018. Operating expenses increased \$29,000 primarily due to an increase in administrative and general expenses. Operating revenues increased \$5,000 due to an approximate increase of 160 ERU's in 2019.

Prior Year Points

- **Bank Accounts Not Recorded on the Books**

During our testing of cash, we noted there were nine bank accounts that were not recorded in the Village's general ledger. The accounts are public safety related. These accounts are not material to the financial statements as a whole; however, we recommend management investigate the nature of these accounts to understand if these accounts should be recorded on the Village's books. In addition, if these accounts should be on the Village's books, controls should be put in place to monitor and reconcile the activity related to these cash accounts.

Status (12/31/2019)

This is still applicable.

Other comments and recommendations (cont.)

- **Monitoring Expenditures Charged to the TIF Districts**

The Village has three active TIF districts. Per state statute, a project plan is adopted and approved for each district. Included within the project plan, is a detailed listing of the approved projects and the estimated expenditures. We recommend that the Village review the actual costs being charged to the TIF districts and compare the costs to the approved project plan. An amendment to the project plan may be required if the costs incurred are not specifically allowed for in the project plan itself. This relates to capital expenditures, administrative costs and other costs incurred in the TIF districts. We also recommend that the Village track the actual costs compared to the individual project plan line items.

Status (12/31/2019)

This is still applicable.

- **Ambulance Receivables**

The Village provides ambulance services to its citizens and bills for those services. Prior to 2006, the Village handled the billing and collections internally and many uncollectible accounts have remained in the ambulance receivable balance since that time. Many uncollectible ambulance accounts result from Medicare or Medicaid disallowances. Those disallowances should be written off on a periodic basis.

Starting in 2006, the Village contracted with an ambulance billing service provider who provides the Village with the uncollectible amounts so that the current billings can be adjusted accordingly.

We recommend that the Village review the outstanding ambulance receivables balance and if necessary approve a resolution writing off old outstanding amounts from the ambulance receivable balance. Fortunately, the write-offs will have no effect on the general fund's fund balance as these amounts are also set-up in an allowance account. After writing off the uncollectible amounts, there will be no need for Village staff to continue tracking these old outstanding balances.

Status (12/31/2019)

The Village has continued to evaluate outstanding balances held at the third party service providers. The Village wrote off uncollectible balances in 2019. This point has been resolved.

- **Decentralized Cash Collections**

Many governments collect cash at numerous decentralized locations that are separate from the primary system of accounting procedures and controls. The opportunity for theft is often higher at those locations because one person is frequently involved in most, if not all, aspects of a transaction (i.e. lack of segregation of duties).

Examples in your government that fit this situation include: police department, municipal court, community development, library, outreach, fire department and public works.

Other comments and recommendations (cont.)

- **Decentralized Cash Collections** (cont.)

Management is responsible for designing and implementing controls and procedures to detect and prevent fraud. As a result, we recommend that management review its decentralized cash collection procedures and controls on a periodic basis and make changes as necessary to strengthen the internal control environment. Reviewing the adequacy of the controls is a responsibility of the governing body.

Below are example procedures and controls to help mitigate the risk of loss at decentralized cash collection points:

- Implement a centralized receipting process with adequate segregation of duties
- For cash collections, ensure pre-numbered receipts are being used and all receipts in the sequence are being reviewed by someone other than the person receipting the cash and receipts tie to deposits
- Perform surprise procedures at decentralized locations (cash counts, walkthrough of processes, etc.)
- Require regular cash deposits to minimize collection on-hand
- Limit the number of separate bank accounts
- Segregate duties as much as possible – the person receipting cash should be separate from the person preparing deposits and the person reconciling bank accounts should be separate from the cash collection activity
- Perform a month-to-month or year-to-year comparison to look for unusual changes in collections
- If collecting from a drop box site, consider sending two people to collect the funds, especially during peak times

As always, the cost of controls and staffing must be weighed against the benefits of safeguarding your assets.

Status (12/31/2019)

This is still applicable.

- **Impact Fee Tracking**

State Statute 66.0617 allows impact fees to be charged for specific public facilities, including parks. The Village has been charging park impact fees since 2004. According to the impact statute, impact fees must be tracked in a separate interest bearing account and spent within 10 years. In order to adequately monitor the collection and the spend down of impact fees we recommend that the Village create a tracking sheet to monitor the impact fee revenue being collected along with tracking any related expenses reducing the impact fee balance. In addition, any supporting documentation used in the calculation of park impact fee billing should be maintained by the Village.

Status (12/31/2019)

This is considered resolved.

Required communications

Qualitative aspect of accounting practices

- Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Village of McFarland are described in Note 1 to the financial statements. As described in Note 1, the Village changed accounting policies related to financial reporting for fiduciary activities by adopting Governmental Accounting Standards Board (GASB) No. 84 - *Fiduciary Activities* and for debt disclosures by adopting Governmental Accounting Standards Board (GASB) No. 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* in 2019. Accordingly, the accounting changes have been retrospectively applied to the prior periods. We noted no transactions entered into by the Village during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice.
- Accounting estimates: Accounting estimates, including fair value estimates, are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the financial statements:

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Net pension liability and related deferrals	Evaluation of information provided by the Wisconsin Retirement System (modify as necessary)	Reasonable in relation to the financial statements as a whole
Depreciation	Evaluate estimated useful life of the asset and original acquisition value	Reasonable in relation to the financial statements as a whole

There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates, or to the significant assumptions used to develop the estimates, noted above.

- Financial statement disclosures: The disclosures in the financial statements are neutral, consistent and clear.

Significant unusual transactions

There have been no significant transactions that are outside the normal course of business for the Village or that otherwise appear to be unusual due to their timing, size or nature

Difficulties encountered during the audit

We encountered no significant difficulties in dealing with management and completing our audit.

Required communications (cont.)

Disagreements with management

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management's consultations with other accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

Written communications between management and Baker Tilly

The Appendix includes copies of other material written communications, including a copy of the draft of the management representation letter.

Uncorrected misstatements and corrected misstatements

Professional standards require us to accumulate misstatements identified during the audit, other than those that are clearly trivial, and to communicate accumulated misstatements to management. The schedule within the Appendix summarizes the uncorrected misstatements, other than those that are clearly trivial, that we presented to management and the material corrected misstatements that, in our judgment, may not have been detected except through our auditing procedures.

The internal control matters section of this report describes the effects on the financial reporting process indicated by the uncorrected misstatements and corrected misstatements, other than those that we consider to be of a lesser magnitude than significant deficiencies and material weaknesses.

Management has determined that the effects of the uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Compliance with laws and regulations

We did not identify any non-compliance with laws and regulations during our audit.

Fraud

We did not identify any known or suspected fraud during our audit.

Going concern

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the Village's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date the financial statements are issued or available to be issued, including the effects on the financial statements and the adequacy of the related disclosures, and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement

Required communications (cont.)

Independence

We are not aware of any relationships between Baker Tilly and the Village that, in our professional judgment, may reasonably be thought to bear on our independence.

Related parties

We did not have any significant findings or issues arise during the audit in connection with the Village's related parties.

Other audit findings or issues

We encountered no other audit findings or issues that require communication at this time.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Village's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information which accompanies the financial statements but is not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Nonattest services

The following nonattest services were provided by Baker Tilly:

- Financial statement preparation
- Adjusting journal entries
- Compiled TIF financial statements
- Compiled regulatory reports
- Civic Systems software
- Continuing property records development and maintenance
- Park impact fee needs assessment

In addition, we prepared GASB No. 34 conversion entries which are summarized in the “Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position” and the “Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities” in the financial statements.

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

Accounting changes relevant to Village of McFarland

Accounting changes relevant to the Village of McFarland

Future accounting standards updates

GASB Statement Number	Description	Potentially Impacts you	Effective Date
87	Leases	✓	12/31/20
89	Accounting for Interest Incurred before the End of a Construction Period	✓	12/31/20
91	Conduit Debt	✓	12/31/21

Further information on upcoming [GASB pronouncements](#).

Due to COVID-19, GASB has issued an exposure draft to delay the effective dates of these standards by one year.

Preparing for the new lease standard

GASB's new single model for lease accounting will be effective for the upcoming year. This standard will require governments to identify and evaluate contracts that convey control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Contracts meeting the criteria for control, term and other items within the standard will result in recognizing a right to use asset and lease liability or a receivable and deferred inflow of resources.

We recommend the Village review this standard and start planning now as to how this will affect your financial reporting. We recommend that you begin by completing an inventory of all contracts that might meet the definition of a lease. The contract listing should include key terms of the contracts such as:

- Description of contract
- Underlying asset
- Contract term
- Options for extensions and terminations
- Service components, if any
- Dollar amount of lease

In addition, the Village should begin to establish a lease policy to address the treatment of common lease types, including a dollar threshold for each lease. We are available to discuss this further and help you develop an action plan.

Learn more about [GASB 87](#).

Accounting changes relevant to the Village of McFarland (cont.)

Planning for the new conduit debt reporting

Conduit debt includes arrangements where there are three separate parties involved including a third party that is obligated for payment, a debt holder or lender and an issuing party, which is often a government. This standard provides additional criteria for identifying and classifying conduit debt with the intent of providing consistency in how the debt is recorded and reported in governmental financial statements. The Village should identify any existing debt arrangements involving third party obligors and evaluate how those arrangements will be reported under the new standard in order to determine the potential impact of this standard on future financial reporting.

Trending challenges for organizations

Trending challenges for organizations

Management and the governing body of the Village must keep the future in mind as they evaluate strategies to achieve future growth. Keeping a balance between risk and sustainability is key, and organizations need to think beyond their immediate needs to their long term goals. Economic uncertainty, coupled with key risk areas and fast paced technology change, make strategic planning complex. Continue the discussion with your management team to find your path to your future.

COVID-19 Risks and ongoing response

Staying nimble and resilient during unprecedented disruption

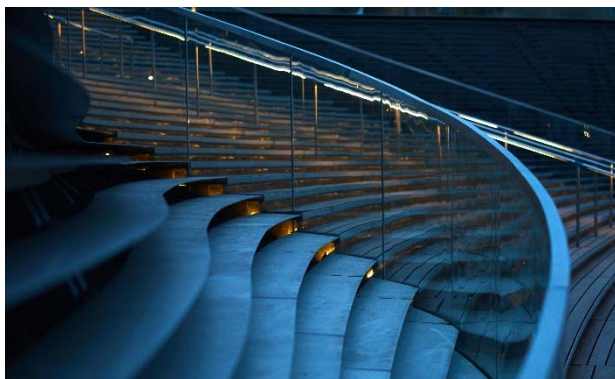
COVID-19 has challenged all organizations and the effects continue to unfold. It is critical that management and governing bodies stay nimble to respond to direct and indirect effects of this disruption on operations, cash flow, and people. Some best practices to consider include:

- Establish mechanisms to track COVID-19 related expenses, lost revenues or delayed revenues
- Monitor cash flow projections and seek short term liquidity help
- Create a policy and forms for compliance with Family First Coronavirus Response Act
- Compare anticipated results to bond covenants and track any continuing disclosure items
- Re-evaluate TIF projections with revised development scenarios
- Develop a strategy for leading your community through the crisis



Learn about public sector [Coronavirus resources](#), including the latest news on business continuity and cash flow management, Federal stimulus and tax developments, and more.

2020 strategic risks for boards



Evaluating and mitigating the greatest risks

Public sector organizations face a multitude of internal and external risks in an evolving landscape. Risks can stem from strategy, finances, legal situations, operations, regulatory compliance, information technology, economic environment, and/or fraud, waste and abuse.

By employing a risk assessment, areas with the greatest needs and highest risks are evaluated. Then a risk mitigation plan can be developed and deployed.

Learn about [risk assessment](#) types, tools and strategies.

Cybersecurity

Operational reporting on cybersecurity effectiveness

As boards engage management in cybersecurity risk discussions, directors should expect management to produce reports on the effectiveness of the organization's cybersecurity-risk management program. Management can (and should) collect and analyze relevant performance measures and metrics to determine if cybersecurity safeguards and controls are operating as intended, and whether any corrective action should be taken to strengthen management's risk-mitigation approaches. While not an exhaustive list, some key processes on which management should report include these:

- Incident management
- Risk management and governance
- Independent assurance on the cybersecurity program

[Learn more](#) about cybersecurity risk management.



[WATCH: On demand webinar about board governance over cybersecurity.](#)

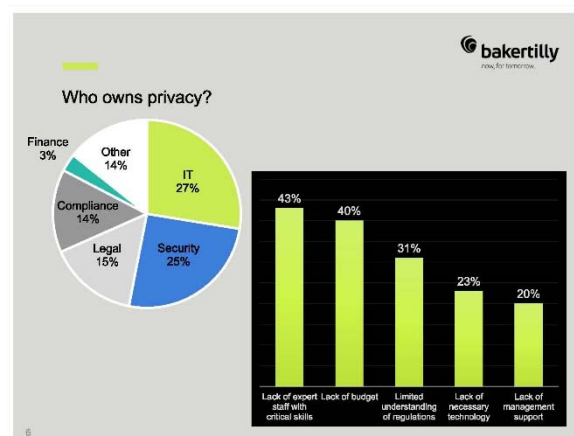
Data privacy

Elevating privacy risks to the forefront of board agendas

Organizations around the world are still scrambling to comply with the General Data Protection Regulation in the European Union, which went into effect in May 2018. While the data privacy regulatory environment changes rapidly, organizations can take proactive steps to ensure that they stay informed of the existing regulations and of those developing on the near horizon.

Adequate oversight remains a key part of staying on top of data privacy developments. Some regulations specify oversight requirements, and can depend on the type of the organization, the quantity and type of personal data processed, and the locations where operations take place. In many cases, a data protection officer (DPO) must lead the effort. Since the DPO is responsible for overseeing practices related to data protection strategy and implementation, having one in place early on will help ensure that the privacy program is comprehensive and consistent.

Learn more about [data privacy risk management](#).



[WATCH: On demand webinar about a risk-based approach to oversight, compliance and management of privacy](#)

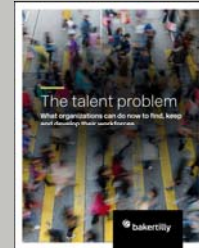
The talent problem

Establishing a lifeline for your shifting workforce

Employee recruitment and retention challenges are an all too common struggle in the public sector:

- Aging workers with institutional knowledge retire
- High demand for small qualified candidate pool
- Perception of geographic disadvantages
- Wage/benefit competition with private sector
- Lean operations exclude investments in recruitment, on-the-job training and technology
- Unclear growth and career advancement tracks

Sustainable organizations must have a robust workforce development and succession planning program. Learn how to get started and incorporate a workforce/succession planning program with existing operational practices.



Download

Public sector executive recruitment

Navigating recruitments and smart hiring

Competing for top executive talent in the public sector space takes industry knowledge, familiarity with the general applicant pool and experience navigating recruitments. Search consultants draw upon their understanding of organizational management and human resources to serve as a successful agent for government entities. In turn, public sector organizations can adopt a foundational understanding about search firms to ensure optimal collaboration on hiring opportunities.

[Read the three part series](#) to learn what your entity should be thinking about.

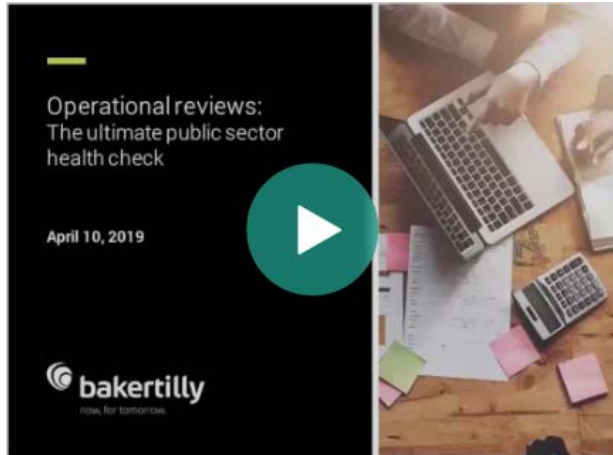
Three part series on public sector executive recruitment

Navigate the changing workforce landscape with confidence, read the executive recruitment series.

1. [Five myths about search firms](#)
2. [Recruiting for difficult positions](#)
3. [Hiring recommendations for government entities](#)

Operational and organizational sustainability

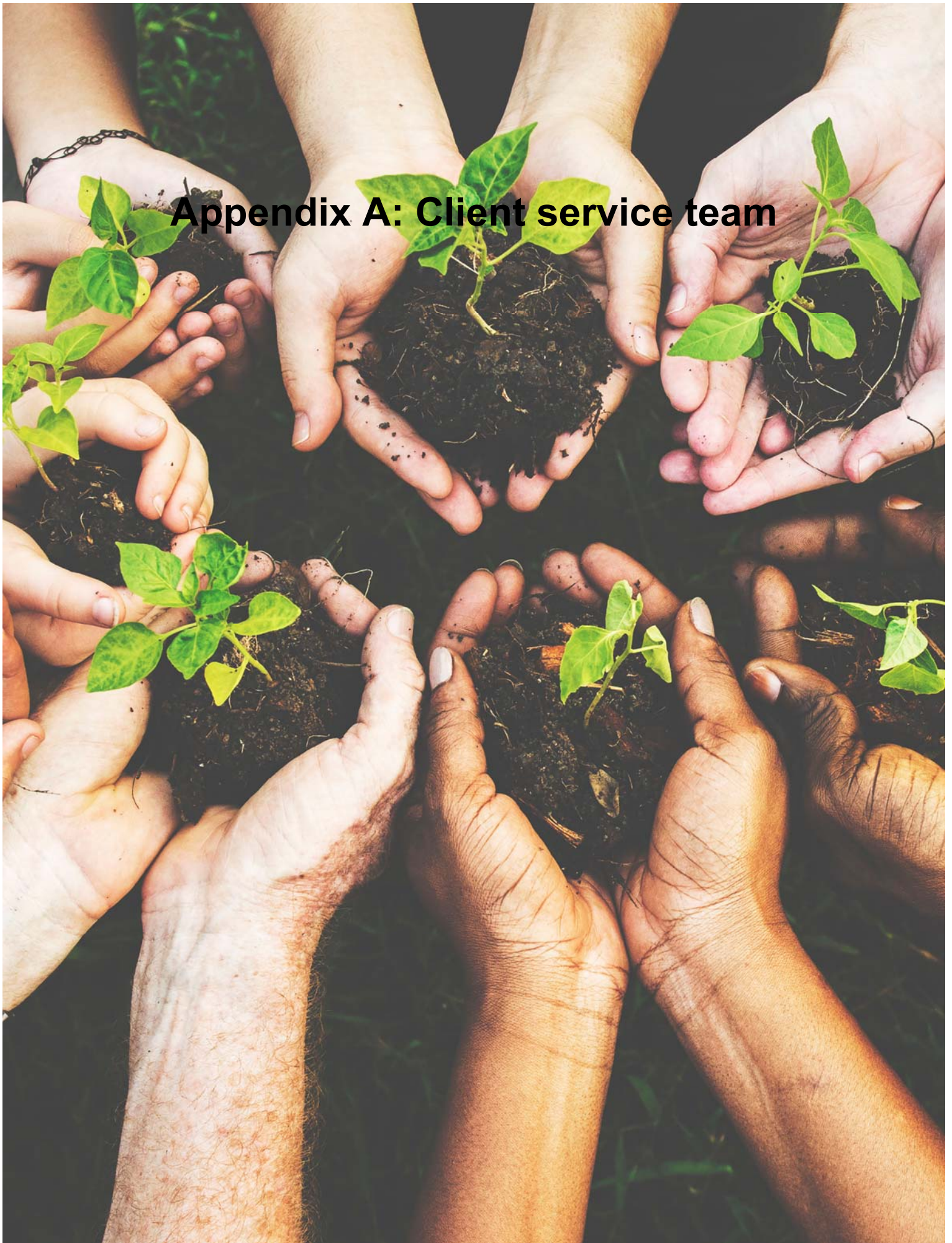
Aligning resources with strategy



As new demands confront the public sector industry, it's easy to solve an immediate problem instead of pausing to take a holistic view. Rippling inefficiencies, increasing financial pressures, taxing staff resources and plummeting constituent satisfaction can pile atop organizations already facing pressure to improve efficiency, effectiveness, relevance and financial viability.

An operational review follows a systematic, strategic approach to understanding an entity's operations and performance. Opportunities to improve processes, bolster internal controls and reduce costs are uncovered in order to realign organizational resources and strategic objectives.

Learn invaluable methods for [executing an operational review](#) while maintaining day-to-day operations.



Appendix A: Client service team

Client service team



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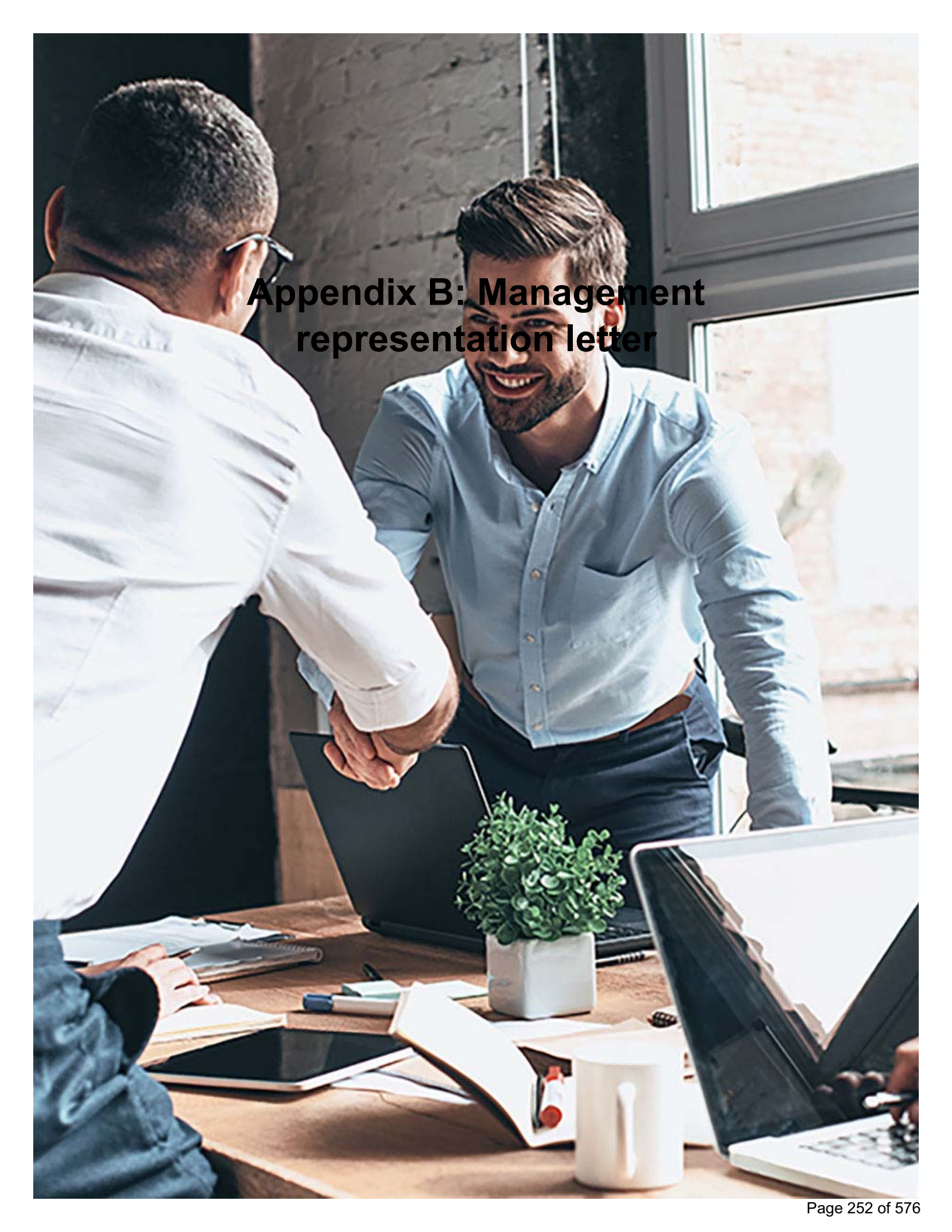


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A photograph of two men in an office setting. The man on the right, with a beard and wearing a light blue button-down shirt, is smiling and shaking hands with the man on the left. The man on the left is seen from the back, wearing a white shirt and glasses. They are standing at a wooden desk. On the desk, there is a laptop, a tablet, a white mug, a small potted plant, and some papers. A large window is in the background, letting in bright light.

Appendix B: Management representation letter

McFarland

VILLAGE OF

www.mcfarland.wi.us | 5915 Milwaukee St, McFarland, WI 53558 | 608.838.3153

May 19, 2020

Baker Tilly Virchow Krause, LLP

Ten Terrace Court
P.O. Box 7398
Madison, Wisconsin 53707-7398

Dear Baker Tilly Virchow Krause, LLP:

We are providing this letter in connection with your audit of the financial statements of the Village of McFarland as of December 31, 2019 and for the then ended and for the Water, Sewer and Stormwater Utilities as of December 31, 2019 and 2018 and for the years then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of McFarland and the respective changes in financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
- 2) The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. We have engaged you to advise us in fulfilling that responsibility. The financial statements include all properly classified funds of the primary government required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.

- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, if any, are reasonable.
- 6) All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 7) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 8) We believe the effects of the uncorrected financial statement misstatements listed here are immaterial, both individually and in the aggregate, to the basic financial statements as a whole. The Village chose not to record the GASB No. 75 activity related to OPEB as of 12/31/9. As a result, the total noncurrent liabilities and expenses are understated and total net position and the change in net position is overstated by the following amounts in the respective opinion units: Governmental activities: \$574,505 ; Business type activities: \$49,506 ; Water and Sewer: \$34,494 ; and Stormwater: \$15,012. In addition, the Village accrued estimated costs for work to be completed in the subsequent year. As a result, the current liabilities are overstated and total fund balance is understated by \$12,783 in the capital projects fund. In addition, you have recommended adjusting journal entries, and we are in agreement with those adjustments.
- 9) There are no known or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.
- 10) Guarantees, whether written or oral, under which the Village is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Village board, finance committee and utility comments or summaries of actions of recent meetings for which minutes have not yet been prepared.

- 12) We have not completed an assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.
- 15) We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) There are no known related parties or related party relationships and transactions of which we are aware.

Other

- 17) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 18) We have a process to track the status of audit findings and recommendations.
- 19) We have identified to you any previous financial audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 20) The Village has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 21) We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 22) There are no:
 - a) Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.
 - b) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.

- c) Nonspendable, restricted, committed, or assigned fund balances that were not properly authorized and approved.
 - d) Rates being charged to customers other than the rates as authorized by the applicable authoritative body.
 - e) Violations of restrictions placed on revenues as a result of bond resolution covenants such as revenue distribution or debt service funding.
- 23) In regards to the nonattest services performed by you listed below, we have 1) accepted all management responsibility; 2) designated an individual with suitable skill, knowledge, or experience to oversee the services; 3) evaluated the adequacy and results of the services performed, and 4) accepted responsibility for the results of the services.
- a) Financial statement preparation
 - b) Adjusting journal entries
 - c) Compiled TIF financial statements
 - d) Compiled regulatory reports
 - e) Civic Systems software
 - f) Continuing property records development and maintenance
 - g) Park impact fee needs assessment

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

- 24) The Village of McFarland has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 25) The Village of McFarland has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
- 26) There are no component units that should be reported in the financial statements, as well as no joint ventures with an equity interest, or other joint ventures or other related organizations that should be reported in the financial statements.
- 27) The financial statements properly classify all funds and activities.
- 28) All funds that meet the quantitative criteria in GASB Statement No. 34 and No. 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 29) Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.

- 30) The Village of McFarland has no derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars or caps.
- 31) Provisions for uncollectible receivables, if any, have been properly identified and recorded.
- 32) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 33) Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
- 34) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 35) Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable).
- 36) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.
- 37) Tax-exempt bonds issued have retained their tax-exempt status.
- 38) We have appropriately disclosed the Village of McFarland's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy. We have also disclosed our policy regarding which resources (that is, restricted, committed, assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available.
- 39) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 40) With respect to the supplementary information, (SI):
 - a) We acknowledge our responsibility for presenting the SI in accordance with accounting principles generally accepted in the United States of America, and we believe the SI, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the SI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the SI is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 41) We assume responsibility for, and agree with, the information provided by the Wisconsin Retirement System as audited by the Legislative Audit Bureau relating to the net pension asset/liability and related deferred outflows and deferred inflows and have adequately considered the reasonableness of the amounts and disclosures used in the financial statements and underlying accounting records. We also assume responsibility for the census data that has been reported to the plan.

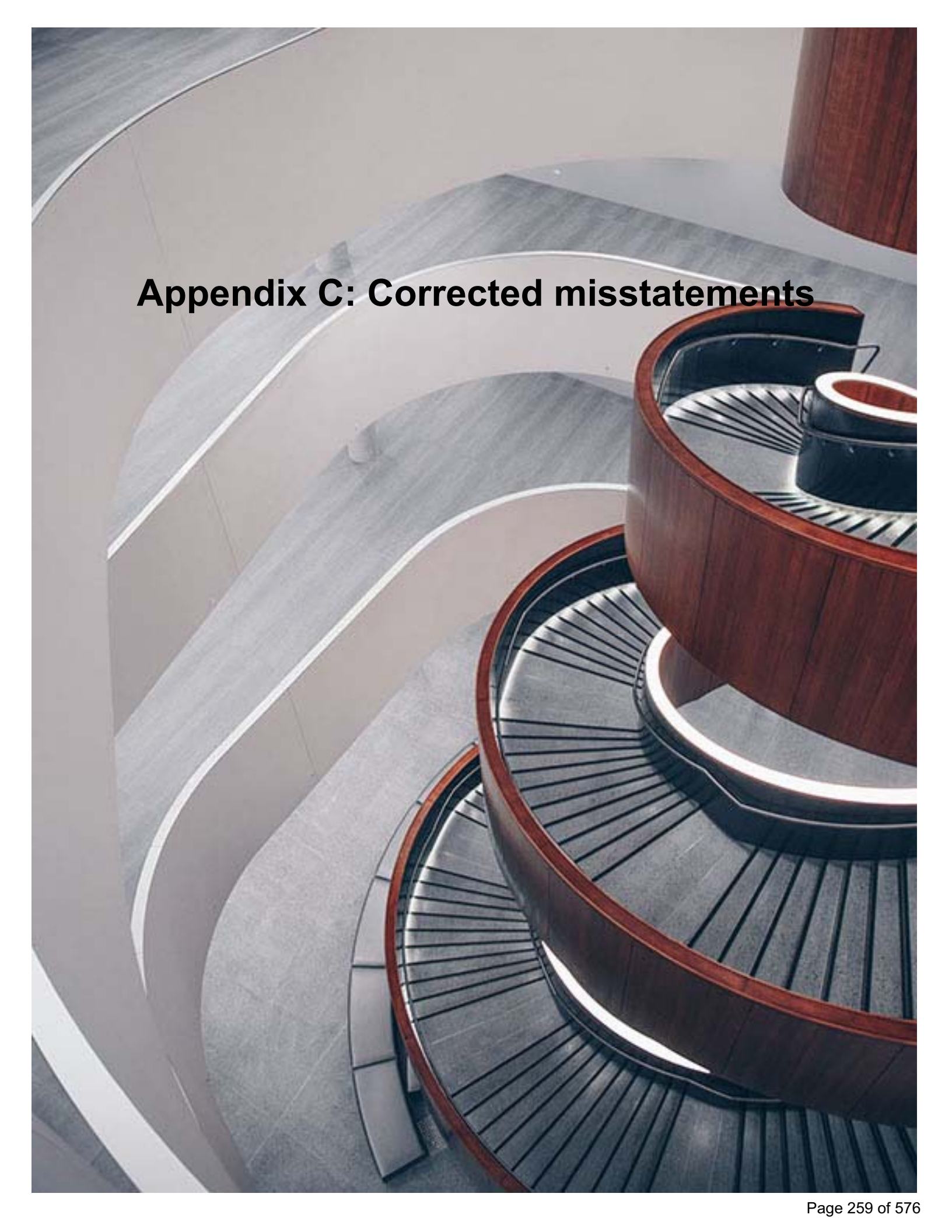
- 42) We have evaluated and considered all potential tax abatements and believe all material tax abatements have been properly reported and disclosed.
- 43) We believe that the Village's liability for other post-employment benefits under GASB No. 75 is not material to the financial statements as outlined above.
- 44) All activities that meet the criteria in GASB Statement No. 84 for presentation as fiduciary activities have been identified and presented as such.
- 45) Any direct borrowings, direct placements, lines of credit or debt default clauses have been identified and properly disclosed.

Sincerely,

Village of McFarland

Signed: 
Matthew Schuenke, village Administrator

Signed: 
Cassandra Suettinger, Village Clerk/Treasurer



Appendix C: Corrected misstatements

Material corrected misstatements

Description	Opinion unit(s)	Amount
Correction related to prior year tax equivalent	Water and Sewer Utility	\$249,144
Adjust tax equivalent and interfunds	General Fund, Water and Sewer Utility	\$262,660*
Record water, sewer, and stormwater developer contributions, and additions and retirements related to street projects	Stormwater, Water and Sewer Utility	\$1,258,907*

*This is a reoccurring material audit adjustment that the Village prefers to be proposed as part of the external audit process.

The remaining misstatements that were identified and corrected by management were not material individually or in the aggregate to the financial statements taken as a whole.

Uncorrected misstatements

- The Village chose not to record the GASB No. 75 activity related to OPEB as of December 31, 2019. The Village is planning to update the OPEB study every 3 to 5 years as changes to benefits and the liability warrant it. In other years, the Village will review the OPEB to determine if any material changes took place that would warrant updating the study. As a result, the total noncurrent liabilities and expenses are understated and total net position and the change in net position is overstated by the amounts listed in the first four rows in the table below.
- The Village accrued estimated costs for work to be completed in the subsequent year. As a result, the current liabilities are overstated and total fund balance is understated by \$12,783 in the capital projects fund.

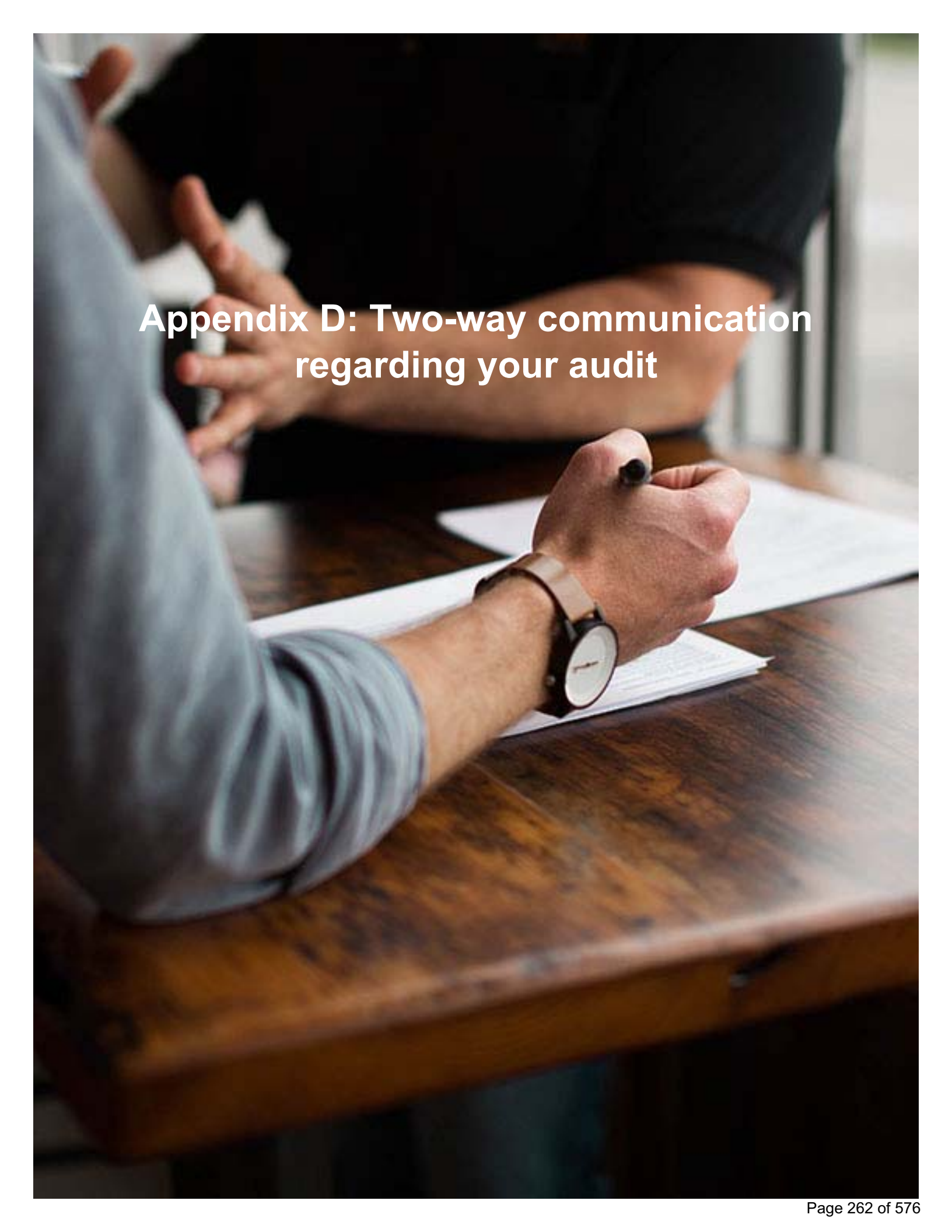
Financial statement effects – debit (credit) to financial statement total:

Opinion unit	Current assets	Noncurrent assets	Total assets/deferred outflows	Current liabilities	Noncurrent liabilities	Net position/fund balance
Governmental activities					(574,505)	574,505
Business-type activities					(49,506)	49,506
Water & Sewer					(34,494)	34,494
Storm					(15,012)	15,012
Capital Projects				12,873		(12,783)

Uncorrected misstatements (cont.)

Financial statement effects – debit (credit) to financial statement total (cont.):

Opinion unit	Total revenues	Total expenses/ expenditures	Change in net position/ fund balance
Governmental activities		28,748	(28,748)
Business-type activities		2,479	(2,479)
Water & Sewer		1,726	(1,726)
Storm		753	(753)

A photograph showing a person's arm and hand writing on a document on a wooden table. The person is wearing a light blue long-sleeved shirt and a black watch with a brown strap. In the background, another person is visible, gesturing with their hands. The text "Appendix D: Two-way communication regarding your audit" is overlaid on the image.

Appendix D: Two-way communication regarding your audit

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
 - Identify types of potential misstatements.
 - Consider factors that affect the risks of material misstatement.
 - Design tests of controls, when applicable, and substantive procedures.
- c. We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs.
- d. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

Our audit will be performed in accordance with auditing standards generally accepted in the United States of America.

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the governing board has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. We anticipate that the Village will receive an unmodified/a modified/an adverse/a disclaimer of opinion on its financial statements.
- e. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- f. Have you had any significant communications with regulators or grantor agencies?
- g. Are there other matters that you believe are relevant to the audit of the financial statements?

Also, is there anything that we need to know about the attitudes, awareness, and actions of the governing body concerning:

- a. The entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. If necessary, we may do preliminary financial audit work during the months of November-December, and sometimes early January. Our final financial fieldwork is scheduled during the spring to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork, but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to hear from you.



VILLAGE BOARD SUMMARY SHEET

MEETING DATE: Monday, June 8, 2020

SECTION: Business

DEPARTMENT: Administration

CONTACT: Matt Schuenke, Village Administrator

AGENDA ITEM: Discussion and action to accept the sale results of the 2020 Borrowing.

PREVIOUS ACTION:

The Village Board initiated the borrowing process on April 13, 2020.

On April 27, 2020, the Village Board approved the parameters resolution authorizing the borrowing to be completed.

ISSUE SUMMARY:

Included in your packet is the final Official Statement for the Village outlining the borrowing for 2020. This details the full package of information provided to potential lenders about the Village combined with our Aa2 rating from Moody's. They reaffirmed this rating the last few years since upgrading the Village due to its strong financial condition and positive outlook. The borrowing has already been approved for completion by the Village Board due to the previous parameters resolution. The Village Administrator is already authorized to accept the lowest bidder based on the results provided when the sale is complete on June 8th. We did it this way for this year only at the present to provide flexibility in what was early this year an unstable municipal bond market. This has since stabilized and thus far remained stabilized for what we hope will be a good outcome for the Village.

The bids are scheduled to be opened by our Financial Advisor on June 8th during the day. Carol will be present in our meeting to read the results and then thereafter the Village Administrator will execute the necessary paperwork as authorized.

FINANCIAL/BUDGET IMPACT:

The final outcome of the borrowing will be determined upon receipt of bids. This will be presented by the Financial Advisor within the meeting.

VILLAGE PLAN REFERENCE:

None.

ORDINANCE REFERENCE:

None.



BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

Recommended action is for the Village to accept the sale results from the bid opening to complete the 2020 Borrowing process.

ATTACHMENTS:

1. 2020-10 McFarland Parameters Resolutions Exhibits
2. Official Statement 2020 Preliminary w Addendum
3. McFarland, WI MDC PR
4. McFarland, WI MDC CO

RESOLUTION NO. 2020 - 10

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED
\$4,655,000 GENERAL OBLIGATION PROMISSORY NOTES

WHEREAS, it is necessary that funds be raised by the Village of McFarland, Dane County, Wisconsin (the "Village") for the purpose of paying the costs of Village capital improvement projects, to wit: facilities, street, highway and park improvements; community development expenses; and equipment acquisition (the "Project"), and there are insufficient funds on hand to pay said costs;

WHEREAS, the Village hereby finds and determines that the Project is within the Village's power to undertake and serves a "public purpose" as that term is defined in Section 67.04(1)(b) of the Wisconsin Statutes; and

WHEREAS, villages are authorized by the provisions of Section 67.12(12) of the Wisconsin Statutes to borrow money and to issue general obligation promissory notes for such public purposes.

NOW, THEREFORE, BE IT RESOLVED by the Village Board of the Village that:

Section 1. Authorization of the Notes; Parameters. For the purpose of paying the cost of the Project there shall be borrowed from a purchaser (the "Purchaser") selected through a competitive sale with the assistance and counsel of the Village's financial advisor, Wisconsin Public Finance Professionals, LLC, pursuant to Section 67.12(12) of the Wisconsin Statutes, the principal sum of not to exceed FOUR MILLION SIX HUNDRED FIFTY-FIVE THOUSAND DOLLARS (\$4,655,000) provided that: (i) the price paid by the Purchaser for the Notes shall not be less than 100.00% and not more than 103.00% of the par amount of the Notes, (ii) the true interest rate to be paid on the Notes (taking the Purchaser's compensation and issuance expenses into account) shall not exceed 3.00% and (iii) the Notes shall comply in all other respects with the terms provided herein.

Section 2. Sale of the Notes; Delegation of Authority With Respect to Final Approval. Subject to such Final Approval (defined below), to evidence such indebtedness, the Village President and Village Clerk/Treasurer are hereby authorized, empowered and directed to make, execute, issue and sell to the Purchaser for, on behalf of and in the name of the Village, general obligation promissory notes aggregating the principal amount of not to exceed FOUR MILLION SIX HUNDRED FIFTY-FIVE THOUSAND DOLLARS (\$4,655,000) (the "Notes"). The issuance and sale of the Notes to the Purchaser is subject to final approval by the Village Administrator (or, in the event of the Village Administrator's absence or disability, the Village Clerk/Treasurer). Such final approval shall be evidenced by the execution of an approving certificate (the approval of such issuance and sale, and the execution of said certificate shall comprise and are referred to collectively herein as the "Final Approval"). The Village Board hereby delegates the authority to provide such Final Approval to the Village Administrator (or, in the event of the Village Administrator's absence or disability, the Village Clerk/Treasurer). Said officers may act for the Village Board to provide such Final Approval with respect to the Notes.

Section 3. Designation of Purchaser as Agent. The Village hereby designates the Purchaser as its agent for purposes of distributing the Final Official Statement relating to the Notes to any participating underwriter in compliance with Rule 15c2-12 of the Securities and Exchange Commission.

Section 4. Terms of the Notes. The Notes shall be designated "General Obligation Promissory Notes"; shall be dated as of the date of their issuance; shall be in the denomination of \$5,000 or any integral multiple thereof; shall mature on December 1 of each year, in the years and principal amounts as set forth on the Schedule attached hereto as Exhibit A provided, however, that the annual principal maturities set forth on said Schedule may be increased or decreased as necessary in increments of \$5,000 to facilitate the competitive sale of the Notes with the final maturity schedule being attached to and incorporated into the Final Approval.

Section 5. Redemption Provisions. At the option of the Village, the Notes maturing on December 1, 2028 and thereafter shall be subject to redemption prior to maturity on December 1, 2027 or on any date thereafter. Said Notes shall be redeemable as a whole or in part, from maturities selected by the Village and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

Section 6. Form of the Notes. The Notes shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit B and incorporated herein by this reference.

Section 7. Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Notes as the same becomes due, the full faith, credit and resources of the Village are hereby irrevocably pledged and a direct annual irrepealable tax sufficient for that purpose is hereby levied upon all of the taxable property of the Village. The amounts of said direct annual irrepealable tax to be levied shall be as set forth in the amortization schedule attached to the Final Approval.

The direct annual irrepealable tax hereby levied shall be collected in addition to all other taxes and in the same manner and at the same time as other taxes of the Village levied in said years are collected. So long as any part of the principal of or interest on the Notes remains unpaid, the tax herein above levied shall be and continues irrepealable except that the amount of tax carried onto the tax roll may be reduced in any year by the amount of any surplus in the Debt Service Fund Account created herein.

Section 8. Debt Service Fund Account. There is hereby established in the Village treasury a fund account separate and distinct from every other Village fund or account designated "Debt Service Fund Account for \$4,655,000 Village of McFarland General Obligation Promissory Notes." There shall be deposited in said fund account any premium plus accrued interest paid on the Notes at the time of delivery to the Purchaser, all money raised by taxation pursuant to Section 7 hereof and all other sums as may be necessary to pay interest on the Notes when the same shall become due and to retire the Notes at their respective maturity dates. Said fund account shall be used for the sole purpose of paying the principal of and interest on the Notes and shall be maintained for such purpose until such indebtedness is fully paid or otherwise extinguished.

Section 9. Borrowed Money Fund. The proceeds of the Notes (the "Note Proceeds") (other than any premium and accrued interest paid at the time of delivery which must be paid into the Debt Service Fund Account created above) shall be deposited into an account separate and distinct from all other funds and disbursed solely for the purposes for which borrowed or for the payment of the principal of and interest on the Notes.

Section 10. Arbitrage Covenant. The Village shall not take any action with respect to the Note Proceeds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken on the date of the delivery of and payment for the Notes (the "Closing"), would cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and any income tax regulations promulgated thereunder (the "Regulations").

The Note Proceeds may be temporarily invested in legal investments until needed, provided however, that the Village hereby covenants and agrees that so long as the Notes remain outstanding, moneys on deposit in any fund or account created or maintained in connection with the Notes, whether such moneys were derived from the Note Proceeds or from any other source, will not be used or invested in a manner which would cause the Notes to be "arbitrage bonds" within the meaning of the Code or Regulations.

The Village Clerk, or other officer of the Village charged with responsibility for issuing the Notes, shall provide an appropriate certificate of the Village, for inclusion in the transcript of proceedings, setting forth the reasonable expectations of the Village regarding the amount and use of the Note Proceeds and the facts and estimates on which such expectations are based, all as of the Closing.

Section 11. Additional Tax Covenants; Exemption from Rebate; Qualified Tax Exempt Obligation Status. The Village hereby further covenants and agrees that it will take all necessary steps and perform all obligations required by the Code and Regulations (whether prior to or subsequent to the issuance of the Notes) to assure that the Notes are obligations described in Section 103(a) of the Code, the interest on which is excluded from gross income for federal income tax purposes, throughout their term. The Village Clerk or other officer of the Village charged with the responsibility of issuing the Notes, shall provide an appropriate certificate of the Village as of the Closing, for inclusion in the transcript of proceedings, certifying that it can and covenanting that it will comply with the provisions of the Code and Regulations.

Further, it is the intent of the Village to take all reasonable and lawful actions to comply with any new tax laws enacted so that the Notes will continue to be obligations described in Section 103(a) of the Code, the interest on which is excluded from gross income for federal income tax purposes.

In accordance with Section 148(f)(4)(D) of the Code, the Village covenants that it is a governmental unit with general taxing powers; that the Notes are not "private activity bonds" as defined in Section 141 of the Code; that ninety five percent (95%) or more of the net proceeds of the Notes are to be used for local governmental activities of the Village; and that the aggregate face amount of all tax exempt obligations (other than "private activity bonds") issued by the Village, including all subordinate entities of the Village, during calendar year 2020 will not exceed \$5,000,000. If for any reason the Village did not qualify for the small issuer exemption

or any other exemption from the rebate requirements of the Code, the Village covenants that it would take all necessary steps to comply with such requirements.

The Village hereby designates the Notes to be "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Code and in support of such designation, the Village Clerk or other officer of the Village charged with the responsibility for issuing the Notes, shall provide an appropriate certificate of the Village as of the date of delivery and payment for the Notes.

Section 12. Persons Treated as Owners; Transfer of Notes. The Village Clerk (or a fiscal agent appointed as provided in Section 15 hereof, the "Fiscal Agent") shall keep books for the registration and for the transfer of the Notes. The person in whose name any Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Note shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

Any Note may be transferred by the registered owner thereof by surrender of the Note at the office of the Village Clerk or Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the Village Clerk or Fiscal Agent shall deliver in the name of the transferee or transferees a new Note or Notes of a like aggregate principal amount, series and maturity and the Village Clerk or Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Village Clerk or Fiscal Agent shall cancel any Note surrendered for transfer.

The Village shall cooperate in any such transfer, and the Village President and Village Clerk are authorized to execute any new Note or Notes necessary to effect any such transfer.

The 15th day of each calendar month next preceding each interest payment date shall be the record date for the Notes. Payment of interest on the Notes on any interest payment date shall be made to the registered owners of the Notes as they appear on the registration book of the Village maintained by the Village Clerk or Fiscal Agent at the close of business on the corresponding record date.

Section 13. Utilization of The Depository Trust Company Book-Entry-Only-System. In order to make the Notes eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the Village has heretofore agreed to the applicable provisions set forth in the DTC Blanket Issuer Letter of Representation and an officer of the Village has executed such Letter of Representation and delivered it to the DTC on behalf of the Village.

Section 14. Execution of the Notes. The Notes shall be issued in typewritten form, one Note for each maturity, executed on behalf of the Village by the manual or facsimile signatures of the Village Clerk and the Village President (except that one of the foregoing signatures shall be manual), sealed with its official or corporate seal, and delivered to the Purchaser upon payment to the Village of the purchase price thereof, plus accrued interest to the date of delivery. In the event that either of the officers whose signatures appear on the Notes shall cease to be such officers before the delivery of the Notes, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until such delivery.

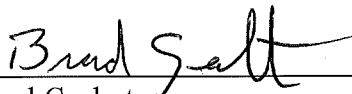
The aforesaid officers are hereby authorized to do all acts and execute and deliver all documents as may be necessary and convenient to effectuate the Closing.

Section 15. Payment of the Notes. The principal of and interest on the Notes shall be paid by the Village Treasurer or his or her agent in lawful money of the United States. If market circumstances require, the Village Administrator, in the Final Approval, may engage and appoint a fiscal agent to act as bond registrar and paying agent on the Notes.

Section 16. Continuing Disclosure. The Village hereby covenants and agrees that it will comply with and carry out all of the provisions of its Continuing Disclosure Certificate which the Village will execute and deliver on the Closing Date. Any Noteholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Village to comply with its obligations under this Section.

Section 17. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the Village or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Adopted this 27th day of April, 2020.



Brad Czebotar
Village President

(SEAL)

ATTEST:



Cassandra Suettinger
Village Clerk/Treasurer

EXHIBIT A

Village of McFarland

\$4,655,000 General Obligation Promissory Notes - 2020

Principal Repayment Schedule

December 1	Principal Amount
2021	\$355,000
2022	\$325,000
2023	\$380,000
2024	\$440,000
2025	\$500,000
2026	\$500,000
2027	\$665,000
2028	\$715,000
2029	\$775,000

EXHIBIT B

(Form of Note)

REGISTERED
NO. R-__

UNITED STATES OF AMERICA
STATE OF WISCONSIN
DANE COUNTY
VILLAGE OF MCFARLAND
GENERAL OBLIGATION PROMISSORY NOTE

MATURITY DATE:	ORIGINAL DATE OF ISSUE:	INTEREST RATE:	CUSIP:
DECEMBER 1, 20__	JUNE 22, 2020	__%	580441__

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS
(\$_____)

KNOW ALL MEN BY THESE PRESENTS, that the Village of McFarland, Dane County, Wisconsin (the "Village"), hereby acknowledges itself to owe and for value received promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest is payable semi-annually on June 1 and December 1 of each year commencing ____ 1, 20__ until the aforesaid principal amount is paid in full. Both the principal of and interest on this Note are payable in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Note is registered on the Bond Register maintained by the Village Clerk or Treasurer at the close of business on the 15th day of the calendar month next preceding the semi-annual interest payment date (the "Record Date").

For the prompt payment of this Note together with interest hereon as aforesaid and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the Village are hereby irrevocably pledged.

This Note is one of an issue of Notes aggregating the principal amount of \$4,655,000, all of which are of like tenor, except as to denomination, interest rate, maturity date and redemption provision, issued by the Village pursuant to the provisions of Chapter 67, Wisconsin Statutes, for the purpose of paying the costs of Village capital improvement projects to wit: facilities, street, highway and park improvements; community development expenses; and equipment acquisition, all as authorized by a resolution of the Village Board duly adopted by said governing body at a meeting held on April 27, 2020. Said resolution is recorded in the official minutes of the Village Board for said date.

At the option of the Village, the Notes maturing on December 1, 2028 and thereafter are subject to redemption prior to maturity on December 1, 2027 or on any date thereafter. Said Notes are redeemable as a whole or in part, from maturities selected by the Village and within each maturity by lot (as selected by the Depository), at the principal amount thereof, plus accrued interest to the date of redemption.

In the event the Notes are redeemed prior to maturity, as long as the Notes are in book-entry-only form, official notice of the redemption will be given by mailing a notice by registered or certified mail, or overnight express delivery, to the Depository not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. If less than all the Notes of a maturity are to be called for redemption, the Notes of such maturity to be redeemed will be selected by lot. Such notice will include but not be limited to the following: the designation, date and maturities of the Notes called for redemption, CUSIP numbers, and the date of redemption. Any notice mailed as provided herein shall be conclusively presumed to have been duly given, whether or not the Depository receives the notice. The Notes shall cease to bear interest on the specified redemption date, provided that federal or other immediately available funds sufficient for such redemption are on deposit at the office of the Depository at that time. Upon such deposit of funds for redemption the Notes shall no longer be deemed to be outstanding.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Note have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the Village, including this Note and others issued simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that a direct annual irrepealable tax has been levied sufficient to pay this Note, together with the interest thereon, when and as payable. It is hereby further certified that the Village has designated this Note to be a "qualified tax-exempt obligation" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Note is transferable only upon the books of the Village kept for that purpose at the office of the Village Clerk or Treasurer. In the event that the Depository does not continue to act as depository for the Notes, and the Village Board appoints another depository, new fully registered Notes in the same aggregate principal amount shall be issued to the new depository upon surrender of the Notes to the Village Clerk or Treasurer, in exchange therefor and upon the payment of a charge sufficient to reimburse the Village for any tax, fee or other governmental charge required to be paid with respect to such registration. The Village Clerk or Treasurer shall not be obliged to make any transfer of the Notes (i) after the Record Date, (ii) during the fifteen (15) calendar days preceding the date of any publication of notice of any proposed redemption of the Notes, or (iii) with respect to any particular Note, after such Note has been called for redemption. The Village may treat and consider the Depository in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever.

IN WITNESS WHEREOF, the Village of McFarland, Dane County, Wisconsin, by its governing body, has caused this Note to be executed for it and in its name by the signatures of its duly qualified Village President and Village Clerk/Treasurer; and to be sealed with its official or corporate seal, if any, all as of the 22nd day of June, 2020.

(SEAL)

By: _____
Brad Czebotar,
Village President

By: _____
Cassandra Suettinger,
Village Clerk/Treasurer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

(Social Security or other Identifying Number of Assignee)

the within Note and all rights thereunder and hereby irrevocably constitutes and appoints _____, Legal Representative, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

(e.g. Bank, Trust Company
or Securities Firm)

(Depository or its Nominee
Name)

(Authorized Officer)

NOTICE: The above-named Depository or its Nominee Name must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

**ADDENDUM DATED JUNE 2, 2020 TO
PRELIMINARY OFFICIAL STATEMENT DATED MAY 27, 2020**

THIS ADDENDUM REFLECTS A CORRECTION TO THE DECEMBER 1, 2028 MATURITY AS \$690,000

NEW ISSUE

Rating Application:
Moody's Investors Service

Outstanding General Obligations Rated:
Moody's "Aa2" (See "RATING" herein)

In the opinion of Griggs Law Office LLC, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law, interest on the Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes. The Notes shall be designated as "qualified tax-exempt obligations." See "LEGAL MATTERS – Tax Exemption" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

**VILLAGE OF MCFARLAND
Dane County, Wisconsin**

\$4,545,000 General Obligation Promissory Notes

DATED: JUNE 22, 2020

DUE: DECEMBER 1, 2021-2029

The \$4,545,000 General Obligation Promissory Notes (the "Notes") will be dated June 22, 2020, will be in the denomination of \$5,000 each or any multiple thereof, and will mature serially on December 1, 2021 through 2029. Interest shall be payable commencing on June 1, 2021 and semiannually thereafter on June 1 and December 1 of each year. Interest is calculated based on 360-day year of twelve 30-day months.

MATURITY SCHEDULE

<u>December 1</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	<u>Base CUSIP</u> <u>580441⁽¹⁾</u>	<u>December 1</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	<u>Base CUSIP</u> <u>580441⁽¹⁾</u>
2021	\$350,000				2026	\$495,000			
2022	320,000				2027	655,000			
2023	370,000				2028	690,000			
2024	430,000				2029	745,000			
2025	490,000								

The Notes are being issued pursuant to Chapter 67 of the Wisconsin Statutes and the Authorizing Resolution (defined herein). The Notes are general obligations of the Village of McFarland, Wisconsin (the "Village") for which its full faith and credit and unlimited taxing powers are pledged which taxes may, under current law, be levied without limitation as to rate or amount. Proceeds of the Notes will be used for the purpose of paying the costs of Village capital improvement projects, to wit: facilities, street, highway and park improvements; community development expenses; and equipment acquisition (the "Project").

The Notes maturing on December 1, 2028 and 2029 shall be subject to redemption prior to maturity, at the option of the Village, beginning December 1, 2027 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Village and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

The Notes are issued as fully registered notes and will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), to which principal and interest payments on the Notes will be made. Individual purchases will be made in book-entry form only in denominations of \$5,000 principal amount or any integral multiple thereof. Purchasers of the Notes will not receive physical delivery of note certificates. See "BOOK-ENTRY-ONLY SYSTEM" herein. Associated Trust Company, National Association, Green Bay, Wisconsin (the "Fiscal Agent") shall act as registrar and fiscal agent for the Notes.

Bids for the Notes will be received by the Village in accordance with the bidding specifications contained in the Official Notice of Sale included herein as Exhibit IV. The Notes shall be awarded to the responsible bidder whose proposal results in the lowest true interest cost to the Village. The award is subject to final approval by the Village Administrator in accordance with the terms of the Authorizing Resolution adopted by the Village Board. The Notes will be delivered subject to the unqualified approval of legality by Griggs Law Office LLC, Milwaukee, Wisconsin, Bond Counsel. The Notes are expected to be delivered on or about June 22, 2020.

*The Village reserves the right, after bids are opened and prior to award, to increase or decrease the amount of any individual maturity of the Notes in increments of \$5,000. In the event of any such modification, the aggregate purchase price proposed will be adjusted to maintain the same gross spread relating to underwriter compensation per \$1,000.

SALE DATE AND TIME: Monday, June 8, 2020 at 10:30 A.M. Central Time

AWARD DATE: Monday, June 8, 2020 Not Later Than 2:00 P.M. Central Time by Village Administrator

WISCONSIN PUBLIC FINANCE PROFESSIONALS, LLC, Municipal Advisor

(1) CUSIP data provided by CUSIP Global Service, managed on behalf of the American Bankers' Association by S&P Capital IQ, a part of McGraw-Hill Companies Financial. No representations are made as to the correctness of the CUSIP numbers.

NEW ISSUE

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VILLAGE OF MCFARLAND
Dane County, Wisconsin

\$4,545,000 General Obligation Promissory Notes

DATED: JUNE 22, 2020

DUE: DECEMBER 1, 2021-2029

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WISCONSIN PUBLIC FINANCE PROFESSIONALS, LLC, Municipal Advisor

(1) CUSIP data provided by CUSIP Global Service, managed on behalf of the American Bankers' Association by S&P Capital IQ, a part of McGraw-Hill Companies Financial. No representations are made as to the correctness of the CUSIP numbers.

Village of McFarland, Wisconsin

Village Hall
5915 Milwaukee St.
McFarland, WI 53558-0110
608-838-3153

Village Board

<u>Name</u>	<u>Position</u>	<u>Term Of Office</u>
Brad Czebotar	President	April 2021
Stephanie Brassington	Trustee	April 2021
Carolyn Clow	Trustee	April 2022
Michael Flaherty	Trustee	April 2022
Eric Kryzenske	Trustee	April 2021
Justin Rupert	Trustee	April 2022
Clair Utter	Trustee	April 2021

Administration

Matthew Schuenke	Village Administrator
Cassandra Suettinger	Village Clerk/Treasurer
Jennifer Haried	Village Deputy Treasurer/Accountant
Allen Reuter	Village Attorney

Registrar and Fiscal Agent for the Notes

Associated Trust Company, National Association
Corporate Trust Department
Eric Wied, Corporate Trust Relationship Manager, 920-433-3275
200 North Adams Street, Green Bay, WI 54301

Professional Services

<u>Independent Auditors</u>	<u>Bond Counsel</u>
Baker Tilly Virchow Krause, LLP Ten Terrance Ct. P.O. Box 7398 Madison, WI 53707	Griggs Law Office LLC 4230 N. Oakland Avenue #313 Shorewood, WI 53211

Municipal Advisor

Wisconsin Public Finance Professionals, LLC
1025 South Moorland Road, Suite 504
Brookfield, WI 53005

This Official Statement is being distributed in connection with the sale of the Notes referred to in this Official Statement and may not be used, in whole or in part, for any other purpose. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations concerning the Notes other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as statements of the Village of McFarland, Dane County, Wisconsin (the "Village") or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person, in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

Unless otherwise indicated, the Village is the source of the information contained in this Official Statement. Certain information contained herein has been obtained from sources other than records of the Village, and is believed to be reliable, but is not guaranteed as to accuracy or completeness. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village since the date of this Official Statement.

Wisconsin Public Finance Professionals, LLC, Brookfield, Wisconsin, is serving as municipal advisor (the "Municipal Advisor") to the Village in connection with the issuance of the Notes. In preparing this Official Statement, the Municipal Advisor has relied upon the Village and other sources having access to relevant data to provide accurate information for this Official Statement. To the best of the Municipal Advisor's knowledge, the information contained in this Official Statement is true and accurate. However, the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

Any statements made in this Official Statement, including the Exhibits, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the Village's beliefs as well as assumptions made by and information currently available to the Village. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

This Official Statement should be considered in its entirety. No one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, ordinances, reports or other documents are referred to in this Official Statement, reference should be made to those documents for more complete information regarding their subject matter.

The Notes will not be registered under the Securities Act of 1933, as amended, in reliance upon exemptions contained in the Act, or the securities laws of any state of the United States, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity, other than the Village shall have passed upon the accuracy or adequacy of this Official Statement.

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EXHIBIT II.	Form of Legal Opinion
EXHIBIT III.	Form of Continuing Disclosure Certificate
EXHIBIT IV.	Official Notice of Sale and Bid Form

SUMMARY

This is not a summary of this Official Statement. The information on this page is qualified by more complete and detailed information contained in the entire Official Statement, including the cover page and exhibits hereto, and the documents summarized or described herein. A review of the entire Official Statement and all such documents should be made by potential investors.

Issuer	Village of McFarland, Dane County, Wisconsin		
Issue	\$4,545,000 General Obligation Promissory Notes (the "Notes")		
Dated Date	June 22, 2020 (Date of Delivery)		
Sale Date and Award	Tuesday, June 8, 2020; sale at 10:30 A.M. C.T. to be awarded by the Village Administrator on June 8, 2020 no later than 2:00 P.M. C.T.		
Principal Due	December 1, 2021 through 2029		
Interest Payment Due	Commencing June 1, 2021 and on each December 1 and June 1 thereafter. Interest on the Notes will be computed on the basis of a 30-day month and 360-day year.		
Redemption Provision	The Notes maturing on December 1, 2028 and 2029 shall be subject to redemption prior to maturity, at the option of the Village, beginning December 1, 2027 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Village and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.		
Authority	The Notes are issued pursuant to Chapter 67, Wisconsin Statutes, and the Authorizing Resolution (defined herein). The Village Board delegated authority to the Village Administrator to accept the proposal of the Underwriter (the "Bid Form") for the purchase of the Notes, provided the Bid Form met the parameters set forth in the Authorizing Resolution, by executing the approving Certificate of Final Approval (the "Final Approval").		
Purpose	Proceeds of the Notes will be used for the purpose of paying the costs of Village capital improvement projects, to wit: facilities, street, highway and park improvements; community development expenses; and equipment acquisition. See "THE PROJECTS" herein.		
Security	The full faith, credit and resources of the Village are pledged to the payment of the principal of and the interest on the Notes as the same become due and, for said purposes, there are levied on all taxable property in the Village, direct, annual, irrevocable taxes in each year and in such amounts which will be sufficient to meet such principal and interest payments when due. Under current law, such taxes may be levied without limitation as to rate or amount.		
Tax Exemption	Griggs Law Office LLC, Milwaukee, Wisconsin, Bond Counsel, will provide an opinion as to the tax exemption of the Notes as discussed under "LEGAL MATTERS - Tax Exemption of Interest" in this Official Statement. Interest on the Notes is not exempt from present State of Wisconsin income or franchise taxes.		
Bank Qualification	The Notes shall be designated as "qualified tax-exempt obligations."		
Rating	The Village has applied for a rating on the Notes from Moody's Investors Service, Inc. Outstanding general obligation securities are rated "Aa2" by Moody's. See "RATING" herein.		
Bond Years	28,057.38 years	Average Life	6.173 years
Record Date	The 15 th day of calendar month next preceding an interest payment date.		
Paying Agent	Village of McFarland, Dane County, Wisconsin		

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, reverse thereof and Exhibits, is to provide certain information relating to the Village of McFarland, Dane County, Wisconsin (the "Village") in connection with the issuance of the \$4,545,000 General Obligation Promissory Notes (the "Notes"). The Notes are issued pursuant to the Constitution and laws of the State of Wisconsin and the resolution (the "Authorizing Resolution") adopted by the Village Board (the "Village Board") on April 27, 2020. The Authorizing Resolution delegates authority to the Village Administrator to accept a proposal for the Notes if the parameters and conditions set forth in the Authorizing Resolution are satisfied.

Unless otherwise indicated, the information contained in this Official Statement is based upon material provided by the Village and available at the date of publication of the Official Statement. Certain information has been obtained from sources other than records of the Village and is believed to be reliable, but is not guaranteed as to accuracy or completeness.

Persons considering a purchase of the Notes should consider the Official Statement in its entirety. No one factor should be considered more or less important than any other by reason of its position in this Official Statement. All references to material included in this Official Statement not purporting to be quoted in full are only summaries of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is made to such instruments, document and other materials for the complete provisions thereof, copies of which will be furnished upon request.

The Authorizing Resolution may be obtained, upon request, from the Municipal Advisor. Village information, including prior years' financial statements, is available, upon request, from the Village Administrator.

THE NOTES

Authority and Purpose

The Notes are issued pursuant to the provisions of Chapter 67 of the Wisconsin Statutes and a resolution authorizing the issuance and sale of not to exceed \$4,545,000 General Obligation Promissory Notes (the "Authorizing Resolution") adopted by the Village Board on April 27, 2020. The issuance and sale of the Notes is subject to final approval by the Village Administrator and shall be evidenced by the execution of an approving Certificate of Final Approval on June 8, 2020 (the "Final Approval").

Proceeds from the sale of the Notes will be used for the purpose of paying the costs of Village capital improvement projects, to wit: facilities, street, highway and park improvements; community development expenses; and equipment acquisition. See "THE PROJECT" herein.

Security

The Notes will be general obligations of the Village. The full faith, credit and taxing powers are pledged to the payment of the principal and interest on the Notes as the same becomes due. Under current law, taxes may be levied without limitation as to rate or amount. The Village is authorized and required by law to levy direct, annual, irrepealable taxes each year in amounts as may be necessary to pay the Notes and the interest thereon. The tax will be levied under the Authorizing Resolution for collection in each of the years 2021 through 2029 (or monies to pay such debt service will otherwise be appropriated).

Maturities, Interest Rates and Form of Note

The Notes are dated June 22, 2020 and will bear interest from that date and will mature serially on December 1, 2021 through December 1, 2029 in the amounts and at the rates as set forth on the cover page of this Official Statement. Interest on the Notes will be computed on the basis of a 360-day year consisting of twelve 30-day months, and shall be payable on June 1 and December 1 of each year commencing June 1, 2021. Interest shall be paid to the registered owners of the Notes appearing of record in the bond register at the close of business on the 15th day of the month next preceding the interest payment date ("Record Date").

The Notes are issuable as fully registered securities and when issued will be registered to Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Ownership interests in the Notes will be in denominations of \$5,000 or integral multiples thereof and will be in book-entry-only form as described herein under "BOOK-ENTRY-ONLY SYSTEM." As long as the Notes are held under the book-entry-only system, beneficial ownership interest in the Notes may be acquired in book-entry form only and all payments of principal of, premium, if any, and interest on the Notes shall be made through the facilities of DTC and its Participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Notes shall be payable as provided in the Authorizing Resolution.

Redemption Provision

The Notes maturing on December 1, 2028 and 2029 shall be subject to redemption prior to maturity, at the option of the Village, beginning December 1, 2027 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Village and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption. If less than all of the Notes of a maturity are to be redeemed, selection of the Notes to be so redeemed shall be by lot conducted by DTC in accordance with its rules and practices. See "BOOK-ENTRY-ONLY SYSTEM" herein.

Notice of Redemption

In the event the Village exercises its option to redeem the Notes prior to maturity, as long as the Notes are in book-entry-only form, official notice of the redemption will be given by mailing a notice by registered or certified mail, overnight express delivery, facsimile or by electronic transmission or in any other manner required by DTC, to DTC not less than thirty (30) nor more than sixty (60) days prior to the redemption date. If less than all the Notes are to be called for redemption, the Notes to be redeemed will be selected by lot.

Such notice will include but not be limited to the following: the designation, date and maturities of the Notes called for redemption, CUSIP numbers; and the date of redemption. Any failure of DTC to advise any DTC Participant or of any DTC Participant or Indirect Participant to notify the Beneficial Owner of any such notice and its' content or effect will not affect the validity or sufficiency of the proceedings relating to the redemption of the Notes called for redemption.

Fiscal Agent

The Village shall enter into a note registrar and fiscal agent agreement for the Notes with Associated Trust Company, National Association, Green Bay, Wisconsin (the "Fiscal Agent"). The Village will make principal and interest payments on the Notes as the same becomes due to the Fiscal Agent at Associated Trust Company, National Association, Corporate Trust Department, 200 North Adams Street, Green Bay, Wisconsin, 54301; phone 920-433-3275. Payments on the Notes will be made by the Fiscal Agent to the Depository Trust Company for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners. See "BOOK-ENTRY-ONLY SYSTEM" herein.

THE PROJECT

Proceeds of the Notes will be used for paying the cost of 2020 Capital Improvement Plan projects for general Village and water utility purposes. Projects include design costs for Village facilities, fire department vehicles and equipment, street, highway and park improvements, and community development expenses and equipment. Construction projects and equipment acquisition began in Spring 2020 and is expected to be substantially completed by year end 2020.

Source and Application of Funds

Source of Funds

Note Proceeds	\$4,545,000
Reoffering Premium (Est.)	176,662
Investment Earnings (Est.)	<u>4,000</u>
Total Source of Funds	<u>\$4,725,662</u>

Application of Funds

Project Costs	\$4,549,000
Issuance Expenses Paid by Underwriter (Est.)	79,910
Deposit to Debt Service (Est.)	<u>96,752</u>
Total Application of Funds	<u>\$4,725,662</u>

CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE VILLAGE'S POWER TO INCUR INDEBTEDNESS

The Constitution and laws of the State limit the power of the Village (and other municipalities of the State) to issue obligations and to contract indebtedness. Such constitutional and legislative limitations include the following, in summary form and as generally applicable to the Village.

Purpose

The Village may not borrow money or issue notes or bonds therefor for any purpose except those specified by statute which includes among others the purposes for which the Notes are being issued.

General Obligation Bonds

The principal amount of every sum borrowed by the Village and secured by an issue of bonds may be payable at one time in a single payment or at several times in two or more installments; however, no installment may be made payable later than the termination of twenty years immediately following the date of the bonds. The Village Board is required to levy a direct, annual, irrevocable tax sufficient in amount to pay the interest on such bonds as it falls due and also to pay and discharge the principal thereof at maturity. Bonds issued by the Village to refinance or refund outstanding notes or bonds issued by the Village may be payable no later than twenty years following the original date of such notes or bonds.

Refunding Bonds

In addition to being authorized to issue bonds, the Village is authorized to borrow money using bonds for refunding existing debt. To evidence such indebtedness, the Village must issue to the lender its refunding bonds (with interest) payable within a period not exceeding twenty years following the initial date of the debt to be refunded. Such refunding bonds constitute a general obligation of the Village. Refunding bonds are not subject to referendum.

Promissory Notes

In addition to being authorized to issue bonds, the Village is authorized to borrow money using promissory notes for any public purpose. To evidence such indebtedness, the Village must issue its promissory notes (with interest) payable within a period not exceeding ten years following the date of said notes. Such notes constitute a general obligation of the Village. Notes may be issued to refinance or refund outstanding notes or bonds. However, such notes must be payable not later than twenty years following the original date of such notes or bonds being refunded.

Bond or Note Anticipation Notes

In anticipation of issuing general obligation bonds or notes, the Village is authorized to borrow money using bond or note anticipation notes. The bond or note anticipation notes shall in no event be general obligations of the Village and do not constitute an indebtedness of the Village, or a charge against its general credit or taxing power. The bond or note anticipation notes are payable only from (a) proceeds of the bond or note anticipation notes set aside for payment of interest on the bond or note anticipation notes as they become due and (b) proceeds to be derived from the issuance and sale of general obligation bonds or notes, which proceeds are pledged for the payment of the principal of and interest on the bond or note anticipation notes. The maximum term of any bond or note anticipation notes (including any refunding) is five years.

Debt Limit

The Village has the power to contract indebtedness for purposes specified by statute so long as the principal amount thereof does not exceed five percent of the equalized value of taxable property within the Village. For information with respect to the Village's percentage of legal debt incurred, the section titled "INDEBTEDNESS - Debt Limit" included in this Official Statement.

THE AUTHORIZING RESOLUTION

Following is a summary of certain provisions of the Authorizing Resolution adopted by the Village Board pursuant to the procedures prescribed by Wisconsin Statutes and the related Certificate of Final Approval to be executed by the Village Administrator. Reference is made to the Authorizing Resolution and the Certificate of Final Approval (the "Final Approval") for a complete recital of their terms.

On April 27, 2020, the Village Board adopted a resolution authorizing the issuance and sale of not to exceed \$4,655,000 General Obligation Promissory Notes (the "Authoring Resolution"), under the provisions of Chapter 67 of the Wisconsin Statutes, for the purpose of paying the costs of Village capital improvement projects, to wit: facilities, street, highway and park improvements; community development expenses; and equipment acquisition (the "Project"). The Authorizing Resolution delegates authority to the Village Administrator to accept a proposal for the Notes if the parameters and conditions set forth in the Authorizing Resolution are satisfied. The issuance and sale of the Notes to the Purchaser selected through a competitive sale, is subject to final approval by the Village Administrator to be evidenced by execution of a Certificate of Final Approval on June 8, 2020 (the "Final Approval").

The Authorizing Resolution pledges the full faith, credit and resources of the Village to payments of the principal of and interest on the Notes until paid. Pursuant to the Authorizing Resolution, the amount of direct, annual irrepealable taxes levied for principal and interest payments on the Notes when due, will be set forth in the Certificate of Final Approval. The Authorizing Resolution establishes, separate and distinct from all other funds of the Village, a debt service fund with respect to payments of principal of and interest on the Notes.

Tax Levy Limits

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent). In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

Beginning with levies imposed in 2015, if a political subdivision does not make an adjustment in its levy as described in the above paragraph in the current year, the political subdivision may increase its levy by the aggregate amount of the differences between the political subdivision's valuation factor in the previous year and the actual percent increase in a political subdivision's levy attributable to the political subdivision's valuation factor in the previous year, for the five years before the current year, less any amount of such aggregate amount already claimed as an adjustment in any of the previous five years. The calculation of the aggregate amount available for such adjustment may not include any year before 2014, and the maximum adjustment allowed may not exceed 5%. The use of the adjustment described in this paragraph requires approval by a two-thirds vote of the political subdivision's governing body, and the adjustment may only be used if the political subdivision's level of outstanding general obligation debt in the current year is less than or equal to the political subdivision's level of outstanding general obligation debt in the previous year.

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other exclusions from and adjustments to the tax levy limit. Among the items excluded from the limit are amounts levied for any revenue shortfall for debt service on a revenue bond issued under Section 66.0621. Among the adjustments permitted is an adjustment applicable when a tax increment district terminates, which allows an amount equal to the prior year's allowable levy multiplied by 50% of the political subdivision's percentage growth due to the district's termination.

With respect to general obligation debt service, the following provisions are made:

(a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.

(b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.

(c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

The Notes are authorized after July 1, 2005 and therefore the levy limits do not apply to taxes levied to pay debt service on the Notes.

Continuing Disclosure

In order to assist the Underwriters in complying with SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934 (the "Rule"), the Village shall covenant pursuant to the Authorizing Resolution adopted by the Village Board to enter into an undertaking (the "Undertaking") for the benefit of holders including beneficial holders of the Notes to provide certain financial information and operating data relating to the Village annually to the Municipal Securities Rulemaking Board (the "MSRB") and to provide notices of the occurrence of certain events enumerated in the Rule electronically or in the manner otherwise prescribed by the MSRB to the MSRB. **The Undertaking provides that the annual report will be filed not later than 365 days after the end of each fiscal year. The Village's fiscal year ends December 31.** The details and terms of the undertaking, as well as the information to be contained in the annual report or the notices of material events, are set forth in the Continuing Disclosure Certificate to be executed and delivered by the Village at the time the Notes are delivered. Such Certificate will be in substantially the form attached hereto as Exhibit III.

In the previous five years, the Village has not failed to comply in all material respects with any previous Undertakings under the Rule. A failure by the Village to comply with the Undertaking will not constitute an event of default on the Notes (although holders will have the right to obtain specific performance of the obligations under the Undertaking). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Notes in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

The Village is required to file its continuing disclosure information using the Electronic Municipal Market Access ("EMMA") system. Investors will be able to access continuing disclosure information filed with the MSRB at www.emma.msrb.org.

DIRECT LEGISLATION ORDINANCE LIMITING CAPITAL EXPENDITURES BY THE VILLAGE

On April 5, 2005, Village electors approved an ordinance which was submitted pursuant to the direct legislation provisions of the Wisconsin Statutes. The ordinance required referendum approval on any municipally financed project requiring a Village capital expenditure of \$1 million or more. On October 13, 2014, the Village Board amended the ordinance, as permitted by the Wisconsin Statutes, to increase the limit to a Village net capital expenditure of \$1,250,000 as adjusted annually for inflation or deflation. On October 8, 2018, the Village Board amended the ordinance's referendum requirement for large construction projects, requiring the Village Board to submit to the electorate a binding referendum for a Village-financed project involving a net cost to the Village exceeding 1% of the Village's equalized valuation, except for the following projects: public street projects; public projects funded by the Village's water, sewer or storm water utilities; projects qualifying as project costs in an approved tax incremental district project plan; projects required by any Federal, State or County statute, regulation, rule or ordinance, any court order or any previously approved agreement; projects undertaken jointly with another unit of government; public safety facilities limited to fire, police, EMS and municipal court; projects undertaken to address emergency conditions as determined by the Village Board. The ordinance was also amended to include provisions for determination of a single project for purposes of establishing applicability of the amendment.

None of the projects financed with the Notes are subject to referendum because either each separate project requires a capital expenditure below the required "net cost," or, because the projects are for purposes exempted by the ordinance.

The effective date of the amendment to the ordinance was 60 days after the Village Board adoption on October 8, 2018 provided that no petition for referendum on the amended ordinance was filed within said 60-day period. No such petition was filed within said 60-day period.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”) will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Notes, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). S&P Global Ratings has assigned DTC its rating of “AA+”. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the “Commission”). More information about DTC can be found at www.dtcc.com.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Village or Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or the Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Village or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Village may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the Village takes no responsibility for the accuracy thereof.

The Village will have no responsibility or obligation to any Securities Depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (i) the accuracy of any records maintained by the Securities Depository or any Participant; (ii) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Notes; (iii) the delivery of any notice by the Securities Depository or any Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Notes; or (v) any other action taken by the Securities Depository or any Participant.

THE VILLAGE

Location and Organization

The Village of McFarland is located along U.S. Hwy 51 in Dane County, Wisconsin, directly south of Madison and 90 miles west of Milwaukee and 150 miles north of Chicago. Incorporated in 1920, the Village encompasses 4.56 square miles, with a 2019 final estimated population of 8,700. Its form of government is a Village President and Board of Trustees, with members of the Board elected for two-year alternating terms.

Village Board

Name	Position	Term Of Office
Brad Czebotar	President	April 2021
Stephanie Brassington	Trustee	April 2021
Carolyn Clow	Trustee	April 2022
Michael Flaherty	Trustee	April 2022
Eric Kryzenske	Trustee	April 2021
Justin Rupert	Trustee	April 2022
Clair Utter	Trustee	April 2021

Administration

Matthew Schuenke	Village Administrator
Cassandra Suettinger	Village Clerk/Treasurer
Jennifer Haried	Village Deputy Treasurer/Accountant
Allen Reuter	Village Attorney

Principal Services and Facilities

<u>Department</u>	<u>Number of Employees</u>	
	<u>Full-Time</u>	<u>Part-Time</u>
Community Development	2	0
Administration	4	1
Senior Outreach Services	2	1
Public Works/Utilities/Park	13	8
Police	19	1
EMS/Fire	7	60
Municipal Court	0	1
Library	<u>6</u>	<u>13</u>
Total	<u>53</u>	<u>85</u>

Source: Village of McFarland

Employees and Labor Relations

The following Associations represent the respective number of Village employees:

McFarland Professional Police Association represents 12 members working under a three-year contract which will expire December 31, 2020.

AFSCME, Local 60, AFL-CIO represents 6 members working under a three-year contract which will expire December 31, 2020.

All other Village employees are not represented by a bargaining unit. The Village considers its relationship with the employee Associations to be excellent.

Source: Village of McFarland

All eligible Village personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and, after significant changes were made to the law in 2011, very limited rights to collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32.

As a result of the 2011 amendments to MERA, the Village is prohibited from bargaining collectively with municipal employees, other than public safety or transit employees, with respect to any factor or condition of employment except total base wages. Even then, the Village is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless Village were to seek approval for a higher increase through a referendum). Ultimately, the Village could unilaterally implement the wages for a collective bargaining unit.

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the Village, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. As a practical matter, it is anticipated that strikes will be rare. Furthermore, if strikes do occur, they may be enjoined by the courts. Impasse resolution for public safety employees is subject to final and binding arbitration procedures, which do not include a right to strike. Additionally, because the only legal subject of bargaining is the base wage rates, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement. Impasse resolution for public safety employees and transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

Pension and Retirement Plan

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants if hired on or before December 31, 2016) are entitled to retirement benefit based on a formula factor, their average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period. Creditable service includes current and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

Post-retirement adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement.

The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable fund Adjustment
2009	(2.1)%	(42)%
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4.0
2017	2.4	17.0

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$290,212 in contributions from the Village.

Contribution rates as of December 31, 2019 are:

Employee Category	Employee	Employer
General (Executives & Elected Officials)	6.7%	6.7%
Protective with Social Security	6.7	10.7
Protective without Social Security	6.7	14.9

Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the Village reported a liability of \$946,359 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the Village's proportion was 0.02660430%, which was an increase of 0.00134087% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Village recognized pension expense of \$640,403.

At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$737,071	\$1,302,873
Changes in assumptions	159,521	---
Net differences between projected and actual earnings on pension plan investments	1,382,094	---
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,886	5,809
Employer contributions subsequent to the measurement date	303,691	---
Totals	<u>\$2,591,263</u>	<u>\$1,308,682</u>

\$303,691 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2020	\$ 358,260
2021	89,179
2022	153,348
2023	378,103

Actuarial assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset):	December 31, 2018
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The Total Pension Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

Long-term expected return on plan assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49%	8.1%	5.5%
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

Single discount rate. A single discount rate of 7.00% was used to measure the total pension asset. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a long term bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

Sensitivity of the Village's proportionate share of the net pension asset to changes in the discount rate. The following presents the Village's proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the Village's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Village's proportionate share of the net pension liability (asset)	\$3,760,933	\$946,359	\$(1,146,493)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

At December 31, 2019, the Village reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

Source: Village of McFarland Financial Statements Including Independent Auditors' Report as of and for the Year Ended December 31, 2019 – Notes to Financial Statements – Note IV – Other Information – A. Employees' Retirement System, included herein as Exhibit I.

Other Post-Employment Benefits

Village employees accumulate sick leave to pay for medical premiums after retirement. On behalf of employees, the Village participates in a healthcare reimbursement account program established as a VEBA trust under Section 501(c)(a) of the Internal Revenue Code. For qualifying employees, the Village makes tax-free contributions to employees' individual VEBA accounts. Additionally employees can, if qualified, have 100% of the payout be transferred to 401(a) plan. Participation in the 401(a) plan is not tied to paying for medical premiums.

As a member of the State of Wisconsin health insurance plan, the Village has an implicit rate health insurance OPEB. In addition, the Village is a participant in the Local Retiree Life Insurance Fund (LRLIF), a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees consisting of fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Source: Village of McFarland

DEMOGRAPHIC AND ECONOMIC DATA

Residential Development

There were 582 building permits issued in 2019 which totaled over \$45.9 million in project costs, 63% of which came from new construction, down from \$60.7M in 2018. This includes 66 permits for single family homes, down slightly from 71 permits in 2018. Additionally, in 2019 the Village permitted 7 duplexes and 1 multi-family project (Ezra Properties, LLC), for an additional 41 units. The latter project is located within the Village's TIF District No. 3. Overall residential assessment values rose by 6.4% from 2018 to 2019 which is an increase from the previous year increase of 5.6% (Source Wisconsin Department of Administration- Statement of Assessments). Most single-family home permits relate to a 193 single family home subdivision known as "Juniper Ridge Subdivision" that was started in 2015. The developer is currently building homes through Phase 8 and recently had the final Phase 9 approved by the Village Board for the start of construction in 2020. The remaining single-family development occurred in the Park View Estates and Prairie Place subdivisions. As of January 1, 2020, there are 61 remaining platted vacant single-family lots in these three subdivisions. As of March 31, 2020, there have been 20 permits issued for single family homes in these subdivisions, plus 1 multi-family project on Farwell Street (Lakestone Properties – The Atwater, TID No. 5) with 47 units. Homes within these subdivisions range in sale price from \$400,000 to \$550,000. The Village anticipates that the remaining vacant lots within these three subdivisions will be built-out by the end of 2020-21. The Village anticipates extension of its municipal boundary and urban service area in 2020 to enable additional growth opportunities on the Village's east side. In addition, the Village anticipates a number of additional infill multi-family development projects will occur in 2020

Source: Village of McFarland

Tax Increment Districts

The Village has created tax increment districts ("TID") under Wisconsin Statutes Section 66.1105. TID valuations totaling \$43,890,900 have been excluded from the Village's tax base for 2019.

	Base Year	Base Value	2019 TID Current Value	2019 Value Increment	Maximum Life
TID No. 3	2004	\$26,997,400	\$65,976,300	\$38,978,900	08/09/2027
TID No. 4	2008	\$7,583,100	\$11,661,500	\$4,078,400	01/14/2035
TID No. 5	2018	\$17,030,100	\$17,863,700	\$833,600	12/11/2045

Source: Wisconsin Department of Revenue/Village of McFarland

Population	2019	2018	2017	2016	2015
Village of McFarland	8,700	8,527	8,200	8,044	7,946
Dane County	537,328	530,519	524,787	518,538	508,379
State of Wisconsin	5,843,443	5,816,231	5,783,278	5,775,120	5,753,324

Source: Wisconsin Department of Administration

	Median Age (2014-2018)	Median Home Value (2014-2018)	Median Household Income (2014-2018)
Village of McFarland	43.7	\$245,500	\$87,394
Dane County	34.9	\$252,300	\$70,541
State of Wisconsin	39.3	\$173,600	\$59,209

Source: U.S. Census Bureau, 2014-2018 American Community Survey 5-year Estimates

Per Return Adjusted Gross Income	2018	2017	2016	2015	2014
Village of McFarland	\$90,758	\$84,168	\$76,208	\$69,640	\$69,340
Dane County	\$84,778	\$72,928	\$68,051	\$65,660	\$63,890
State of Wisconsin	\$59,423	\$56,698	\$54,227	\$52,050	\$50,670

Source: Wisconsin Department of Revenue

Per Capita Income	2018	2017	2016	2015	2014
Dane County	\$61,304	\$58,522	\$56,423	\$54,947	\$52,153
State of Wisconsin	\$51,592	\$49,290	\$47,550	\$46,681	\$44,939

Source: U.S. Department of Commerce

Unemployment Rates	April 2020	Average Annual				
		2019	2018	2017	2016	2015
Madison, WI MSA	11.8%	2.5%	2.3%	2.5%	3.0%	3.4%
Dane County	11.3%	2.4%	2.2%	2.4%	2.9%	3.2%
State of Wisconsin	14.6%	3.3%	3.0%	3.3%	4.0%	4.5%

Source: State of Wisconsin, Department of Workforce Development

Building Permits

	2020 ⁽¹⁾	2019	2018	2017	2016
<u>No. of all Building Permits</u> (including additions and remodelings)	99	582	589	426	467
<u>Valuation of all Building Permits</u> (including additions and remodelings)	\$13,740,332	\$36,928,211	\$50,821,705	\$24,010,723	\$22,379,468
<u>New Single Family Homes</u>					
No. of building permits	20	67	71	60	43
Valuation	\$6,954,998	\$23,583,475	\$24,115,091	\$19,900,616	\$11,994,913
<u>New Multiple Family Buildings</u>					
No. of building permits	1	8	12	14	4
Valuation	\$5,900,000	\$5,556,000	\$3,433,832	\$15,870,000	\$4,625,000
<u>New Commercial/Industrial</u>					
No. of building permits	0	1	4	5	3
Valuation	\$0	\$55,000	\$675,882	\$1,484,021	\$964,000

(1) As of March 31, 2020

Source: Village of McFarland

2019 Employment by Industry – Dane County

	<u>Average Employment</u>
Natural Resources & Mining	2,412
Construction	17,115
Manufacturing	25,437
Trade, Transportation, Utilities	53,600
Information	16,719
Financial Activities	22,939
Professional & Business Services	50,427
Education & Health Services	87,423
Leisure & Hospitality	35,585
Other Services	11,247
Public Administration	<u>21,608</u>
Total All Industries	<u>344,512</u>

Source: State of Wisconsin, Department of Workforce Development, 3rd Quarter 2019

Largest Employers

Employer	Nature of Business	Approximate Number of Employees
McFarland School District	Education	349
American Tel-A-Systems Inc. (AMTELCO)	Manufacturer of telecommunications equipment; answering service equipment; voice store & forward machines, corporation message centers; call center	133
Pick'n Save	Supermarket	100
McFarland State Bank (1)(2)	Commercial banking	95
Air Temperature Services, Inc.	Commercial heating & cooling	90
Green Lantern Restaurant, Inc.	Full-service family restaurant	70
Ginger Bread House	Preschool	52
Village of McFarland	Government	50 FT 85 PT
Ferguson Enterprises, Inc.	Wholesale plumbing & industrial supplies	43
FBM Gypsum Supply	Distributors of building materials	20

(1) Represents 2019 figure

(2) As of May 2020, the McFarland State Bank and Oregon Community Bank have merged

Source: Phone Survey May, 2020

Other Major Employers Located in Dane County

Employer	Nature of Business	Approximate Number of Employees
State of Wisconsin	State government	36,475
University of Wisconsin-Madison	University/College	14,464
UW Hospital & Clinics	Hospital/Health care	7,447
Epic Systems	Medical software	7,400
American Standard Insurance	Insurance	4,000
Madison Metropolitan School District	Education and secondary education	3,591
Wisconsin Physicians Service Insurance	Insurance	3,500
Meriter Home Health	Home health services	3,000
American Family Insurance	Insurance	2,000
CUNA Mutual Holding Co.	Insurance	2,000

Source: Electronic Municipal Market Access Website: Dane County, Wisconsin, Final Official Statement Dated September 6, 2019.

Largest Taxpayers

Name	Nature of Business	2019 Assessed Valuation	Net Taxes
High Track LLC	Cold storage warehouse	\$12,293,300	\$246,504
Waubesa Village LLC	Residential apartments	6,606,700	132,440
Woodland Commons Apt LLC	Residential apartments	5,375,000	107,655
Private Individual	Residential apartments	5,174,100	103,149
Preston Place Properties	Residential duplexes	4,241,900	85,006
Farwell Place LLC	Residential apartments	3,986,000	79,873
Spartan Properties LLC	Office/warehouse building	3,747,100	75,002
Private Individual	Residential developer	3,675,200	72,687
Badger Terminal LLC	Ceiling specialists	3,509,000	70,067
Gundlach Properties LLC	Pick N Save	<u>3,324,400</u>	66,603
		<u>\$51,932,700</u>	

The ten largest taxpayers (\$51,932,700) represent 5.07% of the Village's 2019 assessed valuation of \$1,023,417,995.

Source: Village of McFarland

Property Valuations and Tax Levies

	2019	2018	2017	2016	2015
REAL ESTATE:					
Residential	\$851,366,300	\$747,068,500	\$707,948,000	\$654,193,000	\$628,065,100
Commercial	193,074,100	178,066,800	160,865,700	146,581,900	151,135,500
Manufacturing	5,243,500	5,140,700	5,302,000	5,223,200	5,054,400
Agricultural	95,600	73,000	17,700	11,200	21,900
Undeveloped	91,100	82,400	20,700	24,400	21,400
Ag Forest	75,200	70,500	0	0	0
Forest	112,800	112,800	0	0	0
Other	474,000	0	0	0	0
TOTAL REAL ESTATE	<u>\$1,050,532,600</u>	<u>\$930,614,700</u>	<u>\$874,154,100</u>	<u>\$806,033,700</u>	<u>\$784,298,300</u>
TOTAL PERSONAL PROPERTY	<u>\$5,621,000</u>	<u>\$5,396,400</u>	<u>\$9,563,600</u>	<u>\$9,459,400</u>	<u>\$ 10,153,800</u>
TOTAL EQUALIZED VALUATION (TID IN)	<u>\$1,056,153,600</u>	<u>\$936,011,100</u>	<u>\$883,717,700</u>	<u>\$815,493,100</u>	<u>\$794,452,100</u>
TOTAL EQUALIZED VALUATION (TID OUT)	<u>\$1,012,262,700</u>	<u>\$893,472,300</u>	<u>\$843,985,700</u>	<u>\$780,036,800</u>	<u>\$761,060,200</u>
TOTAL ASSESSED VALUATION	<u>\$1,023,417,995</u>	<u>\$942,877,508</u>	<u>\$867,401,900</u>	<u>\$821,875,700</u>	<u>\$793,674,400</u>
Ratio of Assessed to Equalized Value	96.90%	100.73%	98.15%	100.79%	99.90%
ALL PURPOSE TAX LEVY	\$22,896,162	\$21,222,928	\$20,529,473	\$19,270,287	\$18,387,875
VILLAGE PURPOSE TAX LEVY	\$6,366,250	\$6,091,750	\$5,871,500	\$5,672,559	\$5,486,200

Source: Wisconsin Department of Revenue/Village of McFarland

Tax Rates

Budget Year	----- Assessed -----						Less: State & School Tax Credit	Tax Rate Per \$1,000 Assessed Valuation	Ratio of Assessed to Equalized Valuation	Tax Rate Per \$1,000 Equalized Valuation
	Village	TIF	Schools	VTAE District	County	State				
2020	\$6.22	\$0.91	\$11.05	\$0.87	\$2.86	\$0.00	\$(1.86)	\$20.06	96.90%	\$19.43
2019	6.77	0.96	11.89	0.90	2.94	0.00	(1.91)	21.55	100.73	21.71
2018	6.77	1.04	11.45	0.92	3.06	0.00	(2.05)	21.19	98.15	20.79
2017	6.90	1.01	11.48	0.92	2.96	0.17	(1.93)	21.51	100.79	21.68
2016	6.91	0.97	11.21	0.89	3.02	0.17	(2.06)	21.11	99.90	21.09

Source: Village of McFarland

INDEBTEDNESS

Categories of Debt and Amount Outstanding

Date of Issue	Type of Debt	Original Amount	Interest Rates	Due Serially To	Principal Outstanding as of 08/01/20
<u>Village Purposes</u>					
12/01/11	G.O. Promissory Notes	\$ 3,700,000	2.10 – 2.30	09/01/2020	\$ 140,000
06/23/15	G.O. Promissory Notes	2,005,000	2.00 – 2.15	12/01/2024	1,775,000
11/07/16	G.O. Refunding Bonds	1,710,000	2.00	12/01/2020	220,000
07/20/17	G.O. Promissory Notes	3,345,000	2.00 – 2.25	12/01/2026	3,045,000
06/21/18	G.O. Promissory Notes	3,550,000	3.00	12/01/2027	3,405,000
08/01/19	G.O. Promissory Notes	1,690,000	2.00 – 3.00	12/01/2028	1,690,000
06/22/20	G.O. Promissory Notes	3,900,000		12/01/2029	<u>3,900,000</u>
Total Village Purpose General Obligation Debt Outstanding					<u>\$14,175,000</u>
<u>Water Utility Purposes</u>					
06/23/15	G.O. Promissory Notes	1,360,000	1.90 – 2.15	12/01/2024	880,000
07/20/17	G.O. Promissory Notes	595,000	2.00 – 2.25	12/01/2025	455,000
08/01/19	G.O. Promissory Notes	720,000	2.00 – 3.00	12/01/2028	720,000
06/22/20	G.O. Promissory Notes	645,000		12/01/2029	<u>645,000</u>
Total Water Purpose General Obligation Debt Outstanding					<u>2,700,000</u>
<u>Storm Water Utility Purposes</u>					
12/01/11	G.O. Promissory Notes	875,000	2.10 – 2.50	09/01/2021	190,000
06/23/15	G.O. Promissory Notes	500,000	1.90 – 2.15	12/01/2024	<u>325,000</u>
Total Storm Water Purpose General Obligation Debt Outstanding					<u>515,000</u>
<u>Sewer Utility Purposes</u>					
06/23/15	G.O. Promissory Notes	1,135,000	1.90 – 2.15	12/01/2024	735,000
07/20/17	G.O. Promissory Notes	250,000	2.00 – 2.25	12/01/2025	<u>220,000</u>
Total Sewer Purpose General Obligation Debt Outstanding					<u>955,000</u>
<u>TID #3 Purposes</u>					
12/15/08	G.O. Refunding Bonds	1,415,000	4.50 – 4.875	12/01/2023	<u>1,155,000</u>
Total TID #3 Purpose General Obligation Debt Outstanding					<u>1,155,000</u>
<u>TID #4 Purposes</u>					
07/20/17	G.O. Promissory Notes	275,000	2.00 – 2.25	12/01/2026	<u>215,000</u>
Total TID 4 Purpose General Obligation Debt Outstanding					<u>215,000</u>
<u>TID #5 Purposes</u>					
08/01/19	G.O. Refunding Bonds	995,000	2.10 – 3.05	04/01/2038	<u>995,000</u>
Total TID #5 Purpose General Obligation Debt Outstanding					<u>995,000</u>
Total All G.O. Debt Outstanding					<u>\$20,710,000</u>

General Obligation Debt Service Schedule

Village Purposes

Year Due	\$3,700,000 G.O. Prom. Notes – 12/01/11		\$2,005,000 G.O. Prom. Notes – 06/23/15		\$1,710,000 G.O. Ref. Bonds – 11/07/16		\$3,345,000 G.O. Prom. Notes – 07/20/17	
	Principal (09/01)	Interest	Principal (12/01)	Interest	Principal (12/01)	Interest	Principal (12/01)	Interest
2020	\$ 140,000	\$ 3,220	\$ 350,000	\$ 35,698	\$ 220,000	\$ 4,400	\$ 300,000	\$ 64,713
2021			350,000	28,697			345,000	57,962
2022			350,000	21,698			400,000	50,200
2023			360,000	15,047			400,000	41,200
2024			365,000	7,848			400,000	33,200
2025							600,000	25,200
2026							600,000	13,200
	<u>\$140,000</u>	<u>\$3,220</u>	<u>\$1,775,000</u>	<u>\$108,988</u>	<u>\$220,000</u>	<u>\$4,400</u>	<u>\$3,045,000</u>	<u>\$285,675</u>

- - - New Issue - - -

Year Due	\$3,550,000 G.O. Prom. Notes – 06/21/18		\$1,690,000 G.O. Prom. Notes – 08/01/19		\$3,900,000 G.O. Prom. Notes – 06/22/20		Total Village Purposes		
	Principal (12/01)	Interest	Principal (12/01)	Interest	Principal (12/01)	Interest Est. @ 2.00%	Total Principal	Total Interest	Total Debt Service
2020	\$ 200,000	\$ 102,150	\$ 230,000	\$ 57,400			\$ 1,440,000	\$ 267,581	\$ 1,707,581
2021	325,000	96,150	200,000	38,450	\$ 285,000	\$ 112,450	1,505,000	333,709	1,838,709
2022	325,000	86,400	165,000	34,450	250,000	72,300	1,490,000	265,048	1,755,048
2023	350,000	76,650	170,000	31,150	300,000	67,300	1,580,000	231,347	1,811,347
2024	375,000	66,150	175,000	27,750	360,000	61,300	1,675,000	196,248	1,871,248
2025	575,000	54,900	180,000	22,500	420,000	54,100	1,775,000	156,700	1,931,700
2026	600,000	37,650	185,000	17,100	420,000	45,700	1,805,000	113,650	1,918,650
2027	655,000	19,650	190,000	11,550	580,000	37,300	1,425,000	68,500	1,493,500
2028			195,000	5,850	615,000	25,700	810,000	31,550	841,550
2029					670,000	13,400	670,000	13,400	683,400
	<u>\$3,405,000</u>	<u>\$539,700</u>	<u>\$1,690,000</u>	<u>\$246,200</u>	<u>\$3,900,000</u>	<u>\$489,550</u>	<u>\$14,175,000</u>	<u>\$1,677,733</u>	<u>\$15,852,733</u>

General Obligation Debt Service Schedule – (Continued)

Water Utility Purposes

Year Due	\$1,360,000 G.O. Prom. Notes – 06/23/15		\$595,000 G.O. Prom. Notes – 07/20/17		\$720,000 G.O. Prom. Notes – 08/01/19		- - - New Issue - - - \$645,000 G.O. Prom. Notes – 06/22/20		Total Water Utility Purposes		
	Principal (12/01)	Interest	Principal (12/01)	Interest	Principal (12/01)	Interest	Principal (12/01)	Interest Est. @ 2.00%	Total Principal	Total Interest	Total Debt Service
2020	\$ 170,000	\$ 17,703	\$ 70,000	\$ 9,625		\$ 25,467			\$ 240,000	\$ 52,795	\$ 292,795
2021	170,000	14,302	70,000	8,050	\$ 80,000	19,100	\$ 65,000	\$ 18,598	385,000	60,050	445,050
2022	175,000	10,903	70,000	6,475	85,000	17,500	70,000	11,600	400,000	46,478	446,478
2023	180,000	7,577	75,000	4,900	85,000	15,800	70,000	10,200	410,000	38,477	448,477
2024	185,000	3,977	80,000	3,400	90,000	14,100	70,000	8,800	425,000	30,277	455,277
2025			90,000	1,800	90,000	11,400	70,000	7,400	250,000	20,600	270,600
2026					95,000	8,700	75,000	6,000	170,000	14,700	184,700
2027					95,000	5,850	75,000	4,500	170,000	10,350	180,350
2028					100,000	3,000	75,000	3,000	175,000	6,000	181,000
2029							75,000	1,500	75,000	1,500	76,500
	<u>\$880,000</u>	<u>\$54,462</u>	<u>\$455,000</u>	<u>\$34,250</u>	<u>\$720,000</u>	<u>\$120,917</u>	<u>\$645,000</u>	<u>\$71,598</u>	<u>\$2,700,000</u>	<u>\$281,227</u>	<u>\$2,981,227</u>

Storm Water Purposes

Year Due	\$875,000 G.O. Prom. Notes – 12/01/11		\$ 500,000 G.O. Prom. Notes – 06/23/15		Total Storm Water Purposes		
	Principal (09/01)	Interest	Principal (12/01)	Interest	Total Principal	Total Interest	Total Debt Service
2020	\$ 95,000	\$ 4,560	\$ 60,000	\$ 6,540	\$ 155,000	\$ 11,100	\$ 166,100
2021	95,000	2,375	65,000	5,340	160,000	7,715	167,715
2022			65,000	4,040	65,000	4,040	69,040
2023			65,000	2,805	65,000	2,805	67,805
2024			70,000	1,505	70,000	1,505	71,505
	<u>\$190,000</u>	<u>\$6,935</u>	<u>\$325,000</u>	<u>\$20,230</u>	<u>\$515,000</u>	<u>\$27,165</u>	<u>\$542,165</u>

General Obligation Debt Service Schedule – (Continued)

Sewer Utility Purposes

Year Due	\$1,135,000 G.O. Prom. Notes – 06/23/15		\$250,000 G.O. Prom. Notes – 07/20/17		Total Sewer Utility Purposes		
	Principal (12/01)	Interest	Principal (12/01)	Interest	Total Principal	Total Interest	Total Debt Service
2020	\$ 140,000	\$ 14,787	\$ 35,000	\$ 4,663	\$ 175,000	\$ 19,450	\$ 194,450
2021	145,000	11,988	35,000	3,875	180,000	15,863	195,863
2022	145,000	9,087	35,000	3,088	180,000	12,175	192,175
2023	150,000	6,333	35,000	2,300	185,000	8,633	193,633
2024	155,000	3,332	40,000	1,600	195,000	4,932	199,932
2025			40,000	800	40,000	800	40,800
	<u>\$735,000</u>	<u>\$45,527</u>	<u>\$220,000</u>	<u>\$16,326</u>	<u>\$955,000</u>	<u>\$61,853</u>	<u>\$1,106,853</u>

TID #3 Purpose

Year Due	\$1,415,000 G.O. Ref. Bonds – 12/15/08		Total TID #3 Debt Service
	Principal (12/01)	Interest	
2020	\$ 270,000	\$ 54,056	\$ 324,056
2021	285,000	40,894	325,894
2022	295,000	27,000	322,000
2023	305,000	13,725	318,725
2024			
2025			
2026			
	<u>\$1,155,000</u>	<u>\$135,675</u>	<u>\$1,290,675</u>

TID #3 Increment received for 2020 is \$902,000

TID #4 Purpose

Principal (12/01)	Interest	Total TID #4 Debt Service
\$ 30,000	\$ 4,595	\$ 34,595
30,000	3,920	33,920
30,000	3,245	33,245
30,000	2,570	32,570
30,000	1,970	31,970
30,000	1,370	31,370
35,000	770	35,770
<u>\$215,000</u>	<u>\$18,440</u>	<u>\$233,440</u>

TID #4 Increment received for 2020 is \$96,500

General Obligation Debt Service Schedule – (Continued)

TID #5 Purpose				ALL GENERAL OBLIGATION DEBT		
\$995,000 G.O. Ref Bonds – 08/01/19*						
Year Due	Principal (04/01)	Interest	Total TID #5 Debt Service	Total Principal	Total Interest	Total Debt Service
2020		\$ 31,700	\$ 31,700	\$ 2,310,000	\$ 441,277	\$ 2,751,277
2021		27,180	27,180	2,545,000	489,331	3,034,331
2022	\$ 50,000	26,655	76,655	2,510,000	384,641	2,894,641
2023	50,000	25,605	75,605	2,625,000	323,162	2,948,162
2024	50,000	24,505	74,505	2,445,000	259,437	2,704,437
2025	50,000	23,355	73,355	2,145,000	202,825	2,347,825
2026	50,000	22,205	72,205	2,060,000	151,325	2,211,325
2027	55,000	20,942	75,942	1,650,000	99,792	1,749,792
2028	55,000	19,568	74,568	1,040,000	57,118	1,097,118
2029	55,000	18,192	73,192	800,000	33,092	833,092
2030	55,000	16,680	71,680	55,000	16,680	71,680
2031	60,000	14,955	74,955	60,000	14,955	74,955
2032	60,000	13,155	73,155	60,000	13,155	73,155
2033	65,000	11,280	76,280	65,000	11,280	76,280
2034	65,000	9,330	74,330	65,000	9,330	74,330
2035	65,000	7,380	72,380	65,000	7,380	72,380
2036	70,000	5,338	75,338	70,000	5,338	75,338
2037	70,000	3,202	73,202	70,000	3,202	73,202
2038	70,000	1,068	71,068	70,000	1,068	71,068
	<u>\$995,000</u>	<u>\$322,295</u>	<u>\$1,317,295</u>	<u>\$20,710,000</u>	<u>\$2,524,388</u>	<u>\$23,234,388</u>

*Assuming mandatory redemption

TID #5 Increment received for 2020 is \$17,250

Debt Trends for the Last Five Years

Year of Levy	General Obligation Debt as of December 31	Assessed Valuation For Tax Levy	Debt as a % of Assessed Valuation	Equalized Valuation (TID OUT)	Debt as a % of Equalized Valuation	Population	Direct Debt Per Capita
2019	\$16,165,000	\$1,023,417,995	1.58%	\$1,012,262,700	1.60%	8,700	\$1,858
2018	15,855,000	942,877,508	1.68	893,472,300	1.77	8,527	1,859
2017	13,100,000	867,401,900	1.51	843,985,700	1.55	8,200	1,598
2016	10,245,000	821,875,700	1.25	780,036,800	1.31	8,044	1,274
2015	12,165,000	793,674,400	1.53	761,060,200	1.60	7,946	1,531

Leases

In 2016 and 2017, the Village acquired capital assets through lease/purchase agreements. The gross amount of these assets under the capital assets are \$213,349. The future minimum lease payments, and net present value on these minimum payments, as of December 31, 2019 are as follows:

Years	Principal	Interest	Total
2020	14,940	4,176	19,116
2021	<u>91,274</u>	<u>320</u>	<u>91,594</u>
	<u>\$106,214</u>	<u>\$4,496</u>	<u>\$110,710</u>

Debt Limit

The Village has the power to incur indebtedness for Village purposes specified by statute in an aggregate amount, not to exceed five percent of the equalized value of taxable property in the Village, as last determined by the State of Wisconsin Department of Revenue. See “CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE VILLAGE’S POWER TO INCUR INDEBTEDNESS – Debt Limit” herein. The table below reflects direct bonded indebtedness as of the closing of the Notes and is a comparison of the outstanding indebtedness of the Village as a percentage of the applicable debt limit.

Equalized Valuation (2019) as certified by Wisconsin Department of Revenue	\$1,056,153,600
Legal Debt Percentage Allowed	<u>5.00%</u>
Legal Debt Limit	\$52,807,680
General Obligation Debt Outstanding Including the Notes as of 06/22/2020	\$20,710,000
Less: Remaining 2020 Principal Payments	<u>(2,310,000)</u>
Total General Obligation Debt Outstanding (1)	\$18,400,000
Unused Margin of Indebtedness	\$34,407,680
Percent of Legal Debt Incurred	34.84%
Percent of Legal Debt Available	65.16%

(1) Figure includes \$3,600,000 of general obligation debt issued for Water Utility (\$2,460,000), Storm Water (\$360,000) and Sewer Utility (\$780,000). Although the Village anticipates revenues from these services to support this debt, the actual amount is not guaranteed.

Future Financing

The Village does not anticipate additional general obligation debt in 2020. The Village does anticipate issuing approximately \$2 million of general obligation debt in 2021 for its annual capital improvement program, and approximately \$10 million of general obligation debt for a new public safety center.

Default Record

The Village has no record of default on any prior debt repayment obligations.

Borrowing for Operational Purposes

The Village has never had to borrow money for operating purposes except from internal funds.

Direct and Overlapping Debt

Governmental Unit	General Obligation Debt as of 12/31/19	2020 Debt Service/ Trust Fund	2020 New Issues	Approximate Percentage Applicable	Net Debt Applicable To Village
Village of McFarland	\$16,165,000	\$2,310,000	\$4,545,000	100.00	\$18,400,000
McFarland School District	62,825,000	1,665,000	-0-	64.82	39,643,912
Madison Area Tech. College (1)	180,375,000	30,760,000	8,750,000	1.12	1,773,688
Madison Metro. Sewer District (2)	119,047,830	10,047,960	-0-	2.02	2,201,797
Dane County	405,410,000	54,745,000	-0-	1.52	<u>5,330,108</u>
Total Direct and Overlapping Debt					<u>\$67,349,505</u>

(1) Madison Area Technical College anticipates issuing \$4.5 million in capital borrowing for the 2019-2020 fiscal year and \$35 million in capital borrowing for the 2020-2021 fiscal year.

(2) Madison Metropolitan Sewer District (the "Madison MSD") has not levied a property tax since 1973 for this general obligation debt. All operating and debt service expenditures of the Madison MSD are paid out of sewer service charges billed to the local units of government within the Madison MSD.

Source: Respective municipalities; publicly available documents on the Electronic Municipal Market Access website; State of Wisconsin Environmental Improvement Fund WebReports

Statistical Summary

2019 Equalized Valuation (TID IN)	\$1,056,153,600
Population (2019 estimate)	8,700
2019 Full Value Per Capita	\$121,397
Direct Debt Including the Notes *	\$18,400,000
Direct Debt Per Capita	\$2,115
Direct Debt as a Percentage of Equalized Value	1.74%
Direct and Overlapping Debt	\$67,349,505
Direct and Overlapping Debt Per Capita	\$7,741
Direct and Overlapping Debt as a Percentage of Equalized Value	6.38%

* Includes debt issued for storm water, sewer and water utility purposes. Historically this debt has been supported by the income and revenues of the respective utilities. Although the Village anticipates the revenues to continue to support this debt, the actual amount of these revenues is not guaranteed.

Direct Debt	\$18,400,000
Less: Water Utility Debt	(2,460,000)
Storm Water Debt	(360,000)
Sewer Utility Debt	(780,000)
Total Tax Supported General Obligation Debt	<u>\$14,800,000</u>

FINANCIAL INFORMATION

The Village retained the services of Baker Tilly Virchow Krause, LLP, Certified Public Accountants, to perform the audit of the Village's basic financial statements for years ended December 31, 2015 through 2019. The financial statements are prepared in conformity with generally accepted accounting principles ("GAAP") and audited in accordance with generally accepted auditing standards. Information included in this Official Statement under the heading "General Fund Summary" and "Governmental Fund Summary" has been excerpted from the Village's respective Audited Financial Statements for years ended December 31, 2015 through 2019. The auditor has not been requested to perform any additional review in connection with this Official Statement. Potential purchasers should read such financial statements in their entirety for more complete information concerning the Village's financial position. The Village's audited financial statements for year ended December 31, 2019 are included as Exhibit I to this Official Statement.

Budgetary Process

In August, department heads submit estimates of year-end expenditures for the current year and appropriation requests for the coming year to the Village Administrator. Based on general guidelines set by the Village Board, the Administrator prepares recommended budgets. The budgets are then reviewed by the Village Board. Capital budgets, and an accompanying five-year Capital Improvement Plan, are reviewed in September; operating budgets are reviewed in October/November. A public hearing is held the last week of November and the budget is adopted and the tax levy is set by the first Monday in December.

Budget Summary

REVENUES	2020 General Fund	Percent Of Total
Taxes (other than property)	\$ 356,000	5.56 %
Intergovernmental Revenue	716,750	11.20
Licenses & Permits	393,750	6.15
Fines, Forfeitures and Penalties	102,000	1.59
Public Charges for Services	330,000	5.16
Intergovernmental Charges for Services	364,250	5.69
Miscellaneous & Other Financing Sources	315,000	4.92
Property Taxes	<u>3,820,500</u>	<u>59.71</u>
Total Revenues	<u>\$6,398,250</u>	<u>100.00 %</u>
 EXPENSES		
Village Board	\$ 56,750	0.89 %
Municipal Court	66,000	1.03
Legal	105,000	1.64
Village Administrator	78,750	1.23
Administration	275,500	4.31
Elections	16,500	0.26
Assessor	41,000	0.64
Information Technology	54,500	0.85
Insurance Administration	116,500	1.82
Facility Management	97,500	1.52
Police Department	2,202,750	34.43
Fire and Rescue Department	1,453,250	22.71
Emergency Management	9,750	0.15
Senior Outreach	253,250	3.96
Community Development	236,000	3.69
Public Works	924,500	14.45
Parks	<u>410,750</u>	<u>6.42</u>
Total Expenses	<u>\$6,398,250</u>	<u>100.00 %</u>

Source: Village of McFarland

General Fund Summary

Statement of Revenues, Expenditures and Changes in Fund Balances For Year Ended December 31

	Audited				
	2019	2018	2017	2016	2015
REVENUES:					
Taxes	\$3,748,781	\$3,609,583	\$3,506,305	\$3,425,157	\$3,389,061
Intergovernmental	691,050	600,519	685,294	685,011	774,197
Licenses and Permits	375,516	526,649	626,718	258,763	129,919
Fines, Forfeitures and Penalties	107,353	94,987	94,570	80,702	74,339
Public Charges for Services	374,608	322,124	308,440	274,254	274,968
Intergovernmental Charges for Services	255,709	247,232	225,764	216,392	190,343
Investment Income	130,756	76,139	38,335	23,162	11,134
Miscellaneous	<u>136,664</u>	<u>172,398</u>	<u>155,152</u>	<u>201,234</u>	<u>235,318</u>
Total Revenues	<u>\$5,820,437</u>	<u>\$5,649,631</u>	<u>\$5,640,578</u>	<u>5,164,675</u>	<u>5,079,279</u>
EXPENDITURES:					
Current:					
General Government	907,136	885,300	819,545	857,051	955,732
Public Safety	3,369,932	3,521,058	3,133,449	2,950,275	2,996,933
Health and Social Services	228,796	217,708	213,315	187,334	183,332
Public Works	751,925	817,987	783,813	716,867	731,892
Leisure Activities	255,513	277,086	262,837	267,754	250,116
Conservation and Development	<u>232,370</u>	<u>7,925</u>	<u>86,813</u>	<u>82,687</u>	<u>79,245</u>
Total Expenditures	<u>5,745,672</u>	<u>5,727,064</u>	<u>5,299,772</u>	<u>5,061,968</u>	<u>5,197,250</u>
Excess (deficiency) of Revenues Over Expenditures	<u>74,765</u>	<u>(77,433)</u>	<u>340,806</u>	<u>102,707</u>	<u>(117,971)</u>
OTHER FINANCING SOURCES:					
Proceeds of capital leases	---	---	---	---	---
Sale of capital assets	---	---	338,624	---	---
Debt issued	---	---	---	---	---
Transfers In	302,910	289,394	297,003	229,359	210,764
Transfer Out	<u>(432,647)</u>	<u>(165,679)</u>	<u>(636,859)</u>	<u>(70,000)</u>	<u>---</u>
Total Other Financing Sources (Uses)	<u>(129,737)</u>	<u>123,715</u>	<u>(1,232)</u>	<u>159,359</u>	<u>210,764</u>
Net Change in Fund Balances	(54,972)	46,282	339,574	262,066	92,793
FUND BALANCES - Beginning of Year	<u>2,929,348</u>	<u>2,883,066</u>	<u>2,543,492</u>	<u>2,281,426</u>	<u>2,188,633</u>
FUND BALANCES (DEFICIT) END OF YEAR	<u>\$2,874,376</u>	<u>\$2,929,348</u>	<u>\$2,883,066</u>	<u>\$2,543,492</u>	<u>\$2,281,426</u>
Fiscal Year					
	2019	2018	2017	2016	2015
<u>General Fund Balances</u>					
Nonspendable	63,473	61,992	62,570	59,933	80,682
Restricted	---	41,421	35,714	---	5,426
Committed	40,815	40,815	40,815	136,609	200,000
Assigned	432,653	425,986	431,209	441,875	437,960
Unassigned	<u>2,337,435</u>	<u>2,359,134</u>	<u>2,312,758</u>	<u>1,905,075</u>	<u>1,557,358</u>
Total General Fund Balance	<u>2,874,376</u>	<u>2,929,348</u>	<u>2,883,066</u>	<u>2,543,492</u>	<u>2,281,426</u>

Source: Information shown for years ended December 31, 2015 through 2019 is excerpted from the respective Village Audited Financial Statements.

Governmental Fund Summary

Statement of Revenues, Expenditures and Changes in Fund Balances For Year Ended December 31

REVENUES:	Audited				
	2019	2018	2017	2016	2015
Taxes	\$7,178,547	\$6,880,109	\$6,655,414	\$6,472,343	\$6,324,032
Intergovernmental	1,041,217	1,859,839	1,181,951	1,358,681	1,018,697
Licenses and Permits	478,248	627,325	726,623	358,124	229,160
Fines, Forfeitures and Penalties	107,353	94,987	94,570	80,702	74,339
Public Charges for Services	1,130,604	918,297	905,272	894,405	697,233
Intergovernmental Charges for Services	255,709	247,232	225,764	216,392	190,343
Investment Income	278,767	164,811	102,350	56,426	13,871
Miscellaneous	<u>216,497</u>	<u>313,954</u>	<u>191,277</u>	<u>344,259</u>	<u>412,585</u>
Total Revenues	<u>10,686,942</u>	<u>11,106,554</u>	<u>10,083,221</u>	<u>9,781,332</u>	<u>8,960,260</u>
EXPENDITURES:					
Current:					
General Government	987,759	1,087,169	923,490	975,798	1,048,220
Public Safety	3,383,135	3,521,058	3,133,449	2,950,275	2,996,933
Health and Social Services	228,796	217,708	213,315	187,334	183,332
Public Works	1,224,038	1,254,607	1,198,897	1,087,335	1,094,287
Leisure Activities	1,244,136	1,171,830	1,125,018	1,035,443	931,092
Conservation and Development	275,467	373,945	111,813	628,271	79,245
Capital Outlay	2,769,110	7,407,897	3,168,622	2,551,174	1,268,750
Debt Service - Principal retirement	2,545,000	1,210,000	1,180,000	3,545,000	1,618,255
Other Interest and Fiscal Charges	<u>461,108</u>	<u>322,677</u>	<u>228,878</u>	<u>349,287</u>	<u>330,060</u>
Total Expenditures	<u>13,118,549</u>	<u>16,566,891</u>	<u>11,283,482</u>	<u>13,309,917</u>	<u>9,550,174</u>
Excess (deficiency) of Revenues Over Expenditures	<u>(2,431,607)</u>	<u>(5,460,337)</u>	<u>(1,200,261)</u>	<u>(3,528,585)</u>	<u>(589,914)</u>
OTHER FINANCING SOURCES:					
Debt issued	2,685,000	4,480,000	3,620,000	1,710,000	2,005,000
Proceeds of Capital Leases	---	---	66,577	80,195	---
Debt Premium	92,267	103,042	47,636	41,750	25,190
Sale of Capital Assets	2,000	22,943	340,393	---	---
Transfers In	814,770	975,218	933,862	1,143,017	210,764
Transfer Out	<u>(552,110)</u>	<u>(726,074)</u>	<u>(677,109)</u>	<u>(913,658)</u>	<u>---</u>
Total Other Financing Sources (Uses)	<u>3,041,927</u>	<u>4,855,129</u>	<u>4,331,359</u>	<u>2,061,304</u>	<u>2,240,954</u>
Net Change in Fund Balances	610,320	(605,208)	3,131,098	(1,467,281)	1,651,040
FUND BALANCE - Beginning of Year	<u>6,868,600</u>	<u>7,473,808</u>	<u>4,342,710</u>	<u>5,809,991</u>	<u>4,158,951</u>
FUND BALANCES (DEFICIT) END OF YEAR	<u>\$7,478,920</u>	<u>\$6,868,600</u>	<u>\$7,473,808</u>	<u>\$4,342,710</u>	<u>\$5,809,991</u>

Source: Information shown for years ended December 31, 2015 through 2019 is excerpted from the respective Village Audited Financial Statements.

Summary of Property Assessment, Tax Levy and Tax Collection Procedures

Wisconsin cities, Villages and towns are charged with the responsibility of assessing taxable property, collecting taxes, and making distribution to the state, county, school districts and other taxing jurisdictions. Property of manufacturing establishments and utilities is assessed by the State Department of Revenue. All assessments are made as of January 1.

Taxes on real estate and personal property are levied in December of each year by each municipality within the County for each taxing jurisdiction in amounts that, when collected in the ensuing year, are sufficient to cover operating expenses, debt service and other expenditures of the said taxing jurisdictions.

In all taxation districts, except those which have adopted a local option payment plan, real property taxes must either be paid in full by January 31 to the taxation district treasurer, or paid in two equal installments with 50% paid by January 31 and the balance due by July 31. Amounts paid after January 31 are paid to the County Treasurer. On or before February 20, all tax rolls are turned over to the County Treasurer who then continues to collect all delinquent and postponed taxes. Personal property taxes, special assessments, special charges and special taxes must be paid in full by January 31.

Any taxation district may authorize the payment of real property taxes in three or more installments. The first installment must be paid by January 31 and at least 50% of the real property taxes must be paid by April 30. All real property taxes must be paid by July 31. The taxation district treasurer shall retain the tax roll and make collections through July 31. The tax roll is then transferred to the County Treasurer who continues to collect delinquent taxes.

On or before January 15 and February 20, (and in taxation districts whereby payment is made in three or more installments, on February 15 and on the 15th day of each month following a month in which an installment payment is due), the taxation district treasurer settles with other taxing jurisdictions for all collections through the preceding month. On August 20, the County Treasurer must settle in full with the underlying taxing jurisdictions for all real estate and special taxes (except special assessments). Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The County may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Dane County does not settle in full with the Village for special charges or special assessments, which are reimbursed as collected. The Village receives 100% of their real estate taxes.

2019 Wisconsin Act 185 ("Act 185") signed by the Governor on April 15, 2020 and effective April 17, 2020 addresses a variety of issues in response to the COVID-19 pandemic, including issues related to relief from interest and penalties on 2020 property taxes. Act 185 states that after making a general or case-by-case finding of hardship, a taxation district may provide for an installment payment that is due and payable after April 1, 2020, and that is received after its due date shall not accrue interest or penalties if the total amount due and payable in 2020 is paid on or before October 1, 2020. Authority to defer interest and penalties exists only if the county and the taxation district both adopt a similar resolution authorizing such waivers and establishing criteria for determining hardship. A county having adopted such resolution shall settle any taxes, interest and penalties collected on or before July 31, 2020, on August 20, 2020 as provided under Section 74.29(1) Wisconsin Statutes, and settle remaining unpaid taxes, interest and penalties on September 20, 2020. The August 20, 2020 settlement shall be distributed proportionally to the underlying taxing jurisdictions. The County and the Village have adopted such a resolution. The Village cannot predict whether and how much payment of property taxes may be impacted by COVID-19. However, as of April 30, 2020, the Village has received 75% of the property taxes levied for budget year 2020.

Collection of delinquent personal property taxes is the duty of the taxation district treasurer. A taxation district may chargeback, to each taxing jurisdiction its proportionate share of those personal property taxes, if the taxes are owed by an entity that has ceased operations, filed for bankruptcy, or are due on property that has been removed from the next assessment roll. As of April 20, 2020, the Village had \$3,978 of delinquent personal property taxes.

History of Tax Collections

Collection Year	Village Tax Levy
2019	\$6,091,750
2018	5,871,500
2017	5,672,559
2016	5,486,200
2015	5,358,054

Source: Village of McFarland

UNDERWRITING

The Notes will be offered at a public sale on June 8, 2020 at 10:30 A.M. (Central Time). The Notes will be awarded to the bidder or combination of bidders (the "Underwriter") offering the lowest true interest cost to the Village by the Village Administrator on Monday, June 8, 2020 not later than 2:00 P.M., C.T.

Original Issue Discount

To the extent that the initial public offering price of certain of the Notes is less than the principal amount payable at maturity, such Notes ("Discounted Notes") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Note over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Notes were sold (issue price). With respect to a taxpayer who purchases a Discounted Note in the initial public offering at the issue price and who holds such Discounted Note to maturity, the full amount of original issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Note for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Note upon maturity.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Note, on days that are determined by reference to the maturity date of such Discounted Note. The amount treated as original issue discount on a Discounted Note for a particular semiannual accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Note (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Note at the beginning of the particular accrual period if held by the original purchaser; and less (b) the amount of any interest payable for such Discounted Note during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Note the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If a Discounted Note is sold or exchanged between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

For federal income tax purposes, the amount of original issue discount that is treated as having accrued with respect to such Discounted Note is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Note (including its sale, exchange, redemption, or payment at maturity). Amounts received upon disposition of a Discounted Note that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain.

The accrual or receipt of original issue discount on the Discounted Notes may result in certain collateral federal income tax consequences for the owners of such Discounted Notes. The extent of these collateral tax consequences will depend upon the owner's particular tax status and other items of income or deduction.

The Code contains additional provisions relating to the accrual of original issue discount. Owners who purchase Discounted Notes at a price other than the issue price or who purchase such Discounted Notes in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Notes. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Notes may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year. Owners of Discounted Notes should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Notes.

Bond Premium

To the extent that the initial offering price of certain of the Notes is more than the principal amount payable at maturity, such Notes ("Premium Notes") will be considered to have bond premium.

Any Premium Note purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Note is calculated on a daily basis from the issue date of such Premium Note until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Note that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Notes. During each taxable year, such an owner must reduce his or her tax basis in such Premium Notes by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Note. The adjusted tax basis in a Premium Note will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Note.

Owners of Premium Notes who did not purchase such Premium Notes in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Notes. Owners of Premium Notes should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Notes.

LEGAL MATTERS

Tax Exemption

Federal tax law contains a number of requirements and restrictions which apply to the Notes, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of Note proceeds and the facilities financed therewith, and certain other matters. The Village has covenanted to comply with all requirements that must be satisfied in order for the interest on the Notes to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Notes to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Notes.

Subject to the Village's compliance with the above-referenced covenants, under present law, in the opinion of Griggs Law Office LLC, Milwaukee, Wisconsin, Bond Counsel, interest on the Notes is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax.

In rendering its opinion, Bond Counsel will rely upon certifications of the Village with respect to certain material facts within the Village's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Notes should consult their tax advisors as to applicability of any such collateral consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Notes. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Notes may be enacted. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The interest on the Notes is not excluded from income and therefore is not exempt from present Wisconsin income taxes.

Designation as Qualified Tax-Exempt Obligations

The Notes shall be designated as "qualified tax-exempt obligations" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

Approval of Legality of Notes

Legal matters incident to the authorization, issuance and sale of the Notes, are subject to the approval of Griggs Law Office LLC, Milwaukee, Wisconsin, Bond Counsel. Copies of such opinion will be available at the time of delivery of the Notes.

Absence of Material Litigation

There is no controversy or litigation of any nature now pending or, to the knowledge of the Village, threatened to restrain or enjoin the issuance, sale, execution or delivery of the Notes or the levy and collection of taxes to pay the same; or questioning the proceedings or authority pursuant to which the Notes are issued and taxes levied; or questioning or relating to the validity of the Notes, or contesting the corporate existence of the Village or the titles of its present officers to their respective offices.

The absence of such litigation will be confirmed at the time of the delivery of the Notes to the purchaser by a certificate of the Village Clerk.

Impact of the Spread of COVID-19

In late 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and President Trump declaring a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. The effects of the spread of COVID-19 and the government and private responses to the spread continue to rapidly evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which the coronavirus impacts the Village and its financial condition will depend on future developments, which are highly uncertain and cannot be predicted by the Village, including the duration of the outbreak and measures taken to address the outbreak.

On March 13, 2020, Wisconsin Governor Tony Evers declared a public health emergency in the state in response to the growing threat of COVID-19. That declaration included direction to the state Department of Health Services (DHS) to use any and all required resources to respond to and contain the outbreak. DHS followed up with a "safer at home" order on March 24, 2020, closing nonessential businesses, banning gatherings of any size and imposing strict travel restrictions. The order was in effect from March 25 through April 24. On April 16, 2020 DHS extended the "safer at home" order to May 26, 2020.

On May 13, 2020 the Wisconsin Supreme Court issued a decision concluding that the "safer at home" order was unlawful, invalid and unenforceable. Without the statewide "safer at home" order local governments were left to determine whether they would implement provisions necessary for the prevention and suppression of COVID-19. On May 13, 2020, the City of Madison and Dane County jointly issued an order adopting the provisions of the "safer at home" order which expired at 8 a.m. on May 26, 2020. Public Health Madison and Dane County issued an order moving Dane County into Phase I of a reopening plan effective May 26, 2020 at 8:00 a.m. The Village anticipates releasing information for its reopening plan on May 29, 2020.

The Village is monitoring the economic and financial impact of COVID-19. As of the date of this Official Statement, the Village believes the impact has not been financially material and does not anticipate significant disruptions to cash flow due to a disruption of any specific revenue stream. The Village does not have a sales tax and receives a minor amount of room tax from rooming houses since it has no hotels. Property tax makes up for 60% of the total revenue stream. The Village has received 75% of property taxes levied for this budget year with the remaining 25% to be received in the Fall which is guaranteed for payment by Dane County. Revenue from the State, the second highest revenue collection from a single source, makes up 11% of total revenue. These revenues are on track with 33% collected to date. The Village may experience reduced revenue from interest earnings, permits, licenses and state funds, but does not expect it will be in an amount that would materially disrupt its operations. General Fund expenses appear to be trending at normal levels to support operations thus far including additional expenses incurred as a result of the virus. The Village has experienced some costs related to additional supplies, PPE and operational adjustments. The Village also anticipates applying for reimbursement of eligible expenses from FEMA as part of the disaster declaration related to their response to the virus.

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Notes. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement and the Exhibits hereto.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Notes are outstanding, in a way that would allow the Village to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the Village to file for relief under Chapter 9. If, in the future, the Village were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the Village could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the Village is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the Village could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Notes could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Notes, and there could ultimately be no assurance that holders of the Notes would be paid in full or in part on the Notes. Further, under such circumstances, there could be no assurance that the Notes would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Notes could be viewed as having no priority (a) over claims of other creditors of the Village; (b) to any particular assets of the Village, or (c) to revenues otherwise designated for payment to holders of the Notes.

Moreover, if the Village were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Notes would not occur.

RATING

The Village has applied for a rating on the Notes from Moody's Investors Service, Inc. ("Moody's"). The Village's outstanding long-term general obligation debt is rated "Aa2" by Moody's. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from the rating agency furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Notes.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Notes, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Undertaking described under the heading "Continuing Disclosure" neither the Village nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Notes any proposed change in or withdrawal of such rating or to oppose any such revision or withdrawal.

EXHIBITS

- Exhibit I. Village of McFarland Financial Statements Including Independent Auditors' Report as of and for the Year Ended December 31, 2019
- Exhibit II. Form of Legal Opinion
- Exhibit III. Form of Continuing Disclosure Certificate
- EXHIBIT IV. Official Notice of Sale and Bid Form

MISCELLANEOUS

This Official Statement includes the cover page, reverse thereof, Summary Statement and the Exhibits hereto.

Bond Counsel has furnished the material under the heading "LEGAL MATTERS – Tax Exemption" and "Designation as Qualified Tax-Exempt Obligations", and the information in Exhibit II. – Form of Legal Opinion, and Exhibit III – Form of Continuing Disclosure Certificate, but has not participated in the preparation of this Official Statement and will not pass on its accuracy, completeness or specifications. Bond Counsel has not examined or attempted to examine or verify any of the financial or statistical statements or data contained in this Official Statement, and will express no opinion with respect thereto.

All references to material not purporting to be quoted in full are only summaries of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is hereby made to such instruments, documents and other materials for the complete provisions thereof, copies of which will be furnished upon request to the Village. The Village has authorized the distribution of this Official Statement.

MUNICIPAL ADVISOR

Wisconsin Public Finance Professionals, LLC, Brookfield, Wisconsin, ("WPFP") has been retained as Municipal Advisor to the Village in connection with the issuance of the Notes. The Municipal Advisor has relied upon the Village, and other sources, having access to relevant data to provide accurate information for this Official Statement. To the best of WPFP's knowledge, the information contained in this Official Statement is true and accurate. WPFP's compensation is payable entirely by the Village. WPFP is registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board as a Municipal Advisor.

ACCURACY AND COMPLETENESS OF OFFICIAL STATEMENT

This Official Statement has been approved for distribution to prospective purchasers and the Underwriter by the Village. All of the statements and data presented herein have been obtained from reliable sources and are believed to be correct but are not guaranteed by the Village.

The Village Clerk or other appropriate official will provide to the original purchasers of the Notes at the time of delivery of the Notes, a certificate confirming to the purchasers that, to the best of their knowledge and belief, the Preliminary Official Statement and Final Official Statement, with respect to the Notes, at the time of the sale and delivery of the Notes, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated, where necessary to make the statements, in light of the circumstances under which they were made, not misleading.

EXHIBIT I. Village of McFarland Financial Statements Including Independent Auditors' Report as of and for the Year Ended December 31, 2019

VILLAGE OF MCFARLAND

McFarland, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2019

VILLAGE OF MCFARLAND

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INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of McFarland
McFarland, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of McFarland, Wisconsin, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village of McFarland's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village of McFarland's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Village of McFarland's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of McFarland, Wisconsin, as of December 31, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the Village of McFarland adopted the provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, effective January 1, 2019. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of McFarland's basic financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
May 19, 2020

VILLAGE OF MCFARLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and for the Year Ended December 31, 2019

The management of the Village of McFarland ("village") offers this narrative discussion and analysis (MD&A) of the financial performance of the village for the year ended December 31, 2019. The MD&A is designed to: (1) assist the reader in focusing on significant financial issues; (2) provide an overview of the village's financial activity; (3) identify changes in the village's financial position; (4) identify material deviations from the approved budget; and (5) identify individual fund issues or concerns.

Since the MD&A focuses primarily on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the village's more detailed financial statements which follow this section.

FINANCIAL HIGHLIGHTS

When revenues exceed expenses, the result is an increase in net position; when expenses exceed revenues, the result is a decrease in net position. This relationship between revenues and expenses illustrates the village's operating results. The village's net position, as measured in the Statement of Net Position, is an important indicator of the village's financial position or health. Over time, increases or decreases in the village's net position, as measured in the Statement of Activities, are important indicators of whether its financial health is improving or deteriorating. The village's mission, however, is to provide services that improve the quality of life for its residents, rather than generate profits as companies do. For this reason, it is also necessary to consider many other non-financial factors, such as the condition of roads or quality of services, in assessing the overall health of the village.

- > The assets and deferred outflows of resources of the Village of McFarland exceeded its liabilities and deferred inflows of resources as of December 31, 2019 by \$61,360,494 (net position). Total net position includes all major infrastructure networks.
- > The Village of McFarland's total net position increased by \$1,911,812 in 2019.
- > As of December 31, 2019, the Village of McFarland's governmental funds reported combined ending fund balances of \$7,430,821, an increase of \$562,221 (8%) from the prior year. The main contributor to this increase was the decrease in TIF incentives paid in 2019.
- > As of December 31, 2019, the unassigned fund balance for the General Fund was \$2,337,435 or approximately 36% of total general fund expenditures budgeted for 2020. The total fund balance in the General Fund – also including Nonspendable, Restricted, Committed, and Assigned amounts – was \$2,874,376, a decrease of \$54,972 (2%) over the previous year.
- > The Village of McFarland's total general obligation debt increased by \$1,240,000 as of 12/31/19. At year-end, the village was utilizing 30.6% of its general obligation debt capacity, a decrease from 33.9% the previous year. \$2,365,000 of the general obligation debt is for TIF No. 3, TIF No. 4, and TIF No. 5 purposes and will be repaid from revenue sources other than general property taxes. If the TIF debt is subtracted out, the village is utilizing 26.1% of its allowable debt capacity for general purposes.

VILLAGE OF MCFARLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and for the Year Ended December 31, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS

GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the village's finances, in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all of the village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the village is improving or deteriorating. To assess the overall health of the village it is also necessary to consider additional nonfinancial factors such as changes in the village's property tax base and the condition of the village's infrastructure.

The *Statement of Activities* presents information showing how the village's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the village that are principally supported by taxes and intergovernmental revenues (governmental activities) from those functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the village include general government; public safety; health and social services; public works; leisure activities; and conservation and development. The business-type activities of the Village of McFarland include the Water, Sewer and Stormwater Utilities.

The government-wide financial statements can be found on pages 1 to 3 of this report.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the village can be divided into three categories: governmental funds; proprietary funds; and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, however, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

VILLAGE OF MCFARLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and for the Year Ended December 31, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

FUND FINANCIAL STATEMENTS (cont.)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains thirteen (13) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, General Debt Service, TIF No. 3, and the Capital Equipment and Projects Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 4 to 9 of this report.

Proprietary Funds – The village maintains two (2) proprietary enterprise funds – the Water and Sewer Utility and the Stormwater Utility, both of which are major funds. These enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 10 to 14 of this report.

Custodial Funds – Custodial funds are used to account for resources held for the benefit of parties outside the government. Custodial funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The village is the trustee, or fiduciary, for collection of all property taxes within the village for all taxing jurisdictions. These jurisdictions include the McFarland School District, Dane County, Madison Area Technical College, and the State of Wisconsin forestry tax.

The basic fiduciary fund financial statements can be found on pages 15 to 16 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 to 54 of this report.

VILLAGE OF MCFARLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and for the Year Ended December 31, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

FUND FINANCIAL STATEMENTS (cont.)

Other Information – In addition to the basic financial statements and accompanying notes, required supplementary information presents a budgetary comparison schedule for the General Fund to demonstrate compliance with the budget and information relating to the village's net pension asset and related contributions. These schedules can be found on pages 55 to 57 of this report. The combining statements referred to earlier in connection with non-major governmental funds are presented following the required supplementary information and can be found on pages 58 to 64 of this report.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

An analysis of the village's financial position should begin with a review of the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position. These two statements report the village's net position and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations.

NET POSITION

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of McFarland, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$61,360,494 as of December 31, 2019. This is an increase of \$1,911,812 (3.2%) compared to 2018 when the net position improved \$4,615,735 (8.4%) over the prior year.

The largest portion of the village's net position (approximately 81%) reflects its investments in capital assets (e.g. land, buildings, equipment, improvements, construction in progress and infrastructure), less any debt used to acquire those assets that is still outstanding. The village uses these capital assets to provide service to citizens; consequently these assets are not available for future spending. Although the village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to satisfy these liabilities.

An additional portion of the village's net position (approximately 5.3%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is \$8,182,630, a 7.2% increase from the previous year. On the statement of net position there is an adjustment for capital assets owned by the business-type activities column, but financed by the debt of the governmental activities column, the effect of which is explained further in Note I.D.11 on page 27 of the financial statements.

VILLAGE OF MCFARLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and for the Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

NET POSITION (cont.)

A summary of the village's Statement of Net Position is presented in the table below.

VILLAGE OF MCFARLAND'S NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 16,268,534	\$ 16,886,914	\$ 5,515,105	\$ 5,396,953	\$ 21,783,639	\$ 22,283,867
Capital assets	45,127,950	43,311,889	20,059,872	19,241,682	65,187,822	62,553,571
Total Assets	61,396,484	60,198,803	25,574,977	24,638,635	86,971,461	84,837,438
Deferred Outflows	2,325,505	1,280,804	265,758	132,896	2,591,263	1,413,700
Long-term liabilities	14,314,756	13,254,189	3,787,882	3,543,426	18,102,638	16,797,615
Other liabilities	670,992	823,074	242,513	238,430	913,505	1,061,504
Total Liabilities	14,985,748	14,077,263	4,030,395	3,781,856	19,016,143	17,859,119
Deferred Inflows	9,053,789	8,824,288	132,298	119,049	9,186,087	8,943,337
Net Position:						
Net investment in capital assets	34,348,776	33,502,350	16,418,433	15,798,653	49,946,723	48,480,517
Restricted	2,759,986	2,873,185	471,155	463,637	3,231,141	3,336,822
Unrestricted	2,573,690	2,202,521	4,788,454	4,608,336	8,182,630	7,631,343
TOTAL NET POSITION	\$ 39,682,452	\$ 38,578,056	\$ 21,678,042	\$ 20,870,626	\$ 61,360,494	\$ 59,448,682

The net position section includes an adjustment for capital assets owned by the business-type activities column but financed by the debt of the governmental activities column. See Note I.11.

CHANGES IN NET POSITION

The following table provides a summary of the village's operations for the year ended December 31, 2019. Governmental activities increased the Village of McFarland's net position by \$1,104,396 (2.9%). This compares to an increase of \$2,317,254 (6.3%) in 2018.

Business-type activities increased the net position by \$807,416 (3.9%). This compares to an increase of \$2,298,481 (12.4%) in the prior year.

VILLAGE OF MCFARLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and for the Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

CHANGES IN NET POSITION (cont.)

The following tables and narrative review separately the operational results of governmental and business-type activities.

VILLAGE OF MCFARLAND CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues						
Charges for services	\$ 1,549,949	\$ 1,526,415	\$ 2,755,242	\$ 2,684,070	\$ 4,305,191	\$ 4,210,485
Operating grants and contributions	1,145,134	1,978,985	-	-	1,145,134	1,978,985
Capital grants and contributions	1,410,455	264,314	825,182	2,169,846	2,235,637	2,434,160
General Revenues						
Property taxes	7,056,266	6,771,397	-	-	7,056,266	6,771,397
Other taxes	122,281	116,068	-	-	122,281	116,068
Intergovernmental	209,140	196,735	-	-	209,140	196,735
Investment income	278,767	164,811	105,034	130,552	383,801	295,363
Gain on asset disposal	868	9,970	-	-	868	9,970
Miscellaneous	34,304	127,621	8,910	12,768	43,214	140,389
Total Revenues	<u>11,807,164</u>	<u>11,156,316</u>	<u>3,694,368</u>	<u>4,997,236</u>	<u>15,501,532</u>	<u>16,153,552</u>
Expenses						
General government	1,155,104	1,169,324	-	-	1,155,104	1,169,324
Public safety	3,241,869	3,481,791	-	-	3,241,869	3,481,791
Health and social services	242,177	223,581	-	-	242,177	223,581
Public works	3,065,311	1,647,356	-	-	3,065,311	1,647,356
Leisure activities	1,892,912	1,465,255	-	-	1,892,912	1,465,255
Conservation and development	947,313	762,532	-	-	947,313	762,532
Interest and fiscal charges	420,742	338,367	-	-	420,742	338,367
Water, sewer and stormwater	-	-	2,624,292	2,449,611	2,624,292	2,449,611
Total Expenses	<u>10,965,428</u>	<u>9,088,206</u>	<u>2,624,292</u>	<u>2,449,611</u>	<u>13,589,720</u>	<u>11,537,817</u>
Increases in Net Position Before Transfers	841,736	2,068,110	1,070,076	2,547,625	1,911,812	4,615,735
Transfers	<u>262,660</u>	<u>249,144</u>	<u>(262,660)</u>	<u>(249,144)</u>	<u>-</u>	<u>-</u>
Change in Net Position	1,104,396	2,317,254	807,416	2,298,481	1,911,812	4,615,735
NET POSITION – Beginning of Year	<u>38,578,056</u>	<u>36,260,802</u>	<u>20,870,626</u>	<u>18,572,145</u>	<u>59,448,682</u>	<u>54,832,947</u>
NET POSITION – End of Year	<u>\$ 39,682,452</u>	<u>\$ 38,578,056</u>	<u>\$ 21,678,042</u>	<u>\$ 20,870,626</u>	<u>\$ 61,360,494</u>	<u>\$ 59,448,682</u>

VILLAGE OF MCFARLAND

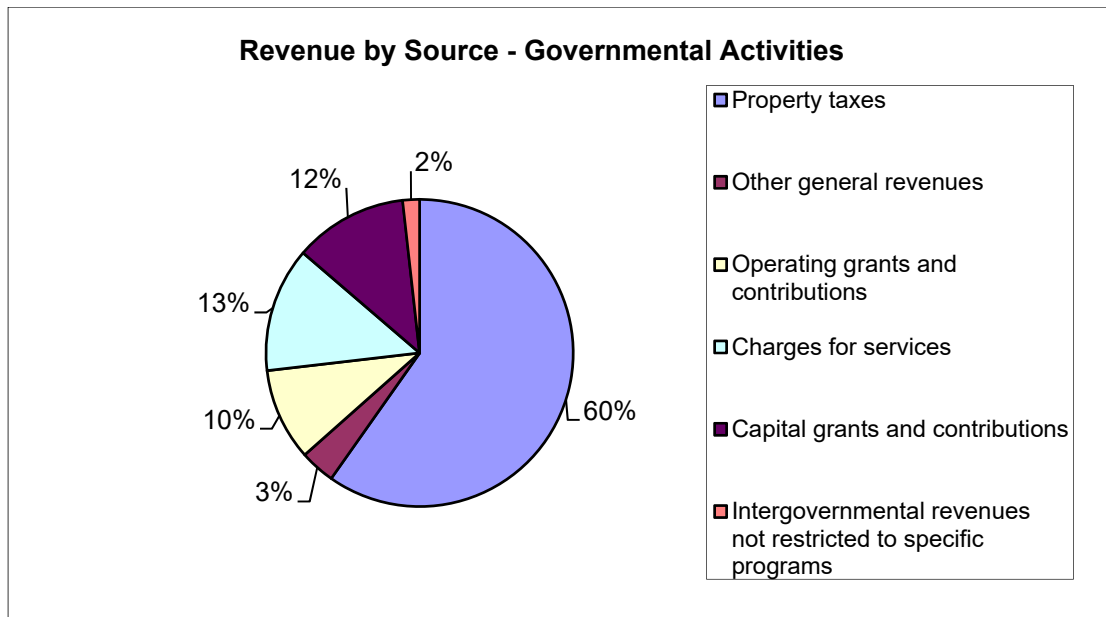
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and for the Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

GOVERNMENTAL ACTIVITIES

The village received a total of \$11,807,164 in governmental activity revenues in 2019. This is an increase of \$650,848 (5.8%) from the prior year. The overall tax levy increased and capital grants and contributions increased; however, operating grants and contributions decreased. As the following chart indicates, property taxes account for about two-thirds of all revenues.

Revenue by Source – Governmental Activities



Total governmental activities expenses were \$10,965,428 in 2019, an increase of \$1,877,222 (20.7%) from the prior year. The increase in 2019 stems from an increase in public works and conservation and development. Revenues exceeded expenses by \$841,736, down \$1,226,374 from the prior year. After transfers, there was an increase in net position of \$1,104,396.

In 2019, Public Safety (police, fire, EMS, emergency management) activities accounted for the largest share of Village expenditures at 29.7%, down from 38.3% the prior year. This was followed by expenditures on Public Works activities at 28%, up from 18%. Other expenditure areas included General Government at 10.5%, Leisure Activities at 17.3%, Conservation and Development at 8.6%, and Health and Social Services at 2.2%. Interest and fiscal charges accounted for the remaining 3.8% of governmental activity expenses, up from 3.7% in 2018.

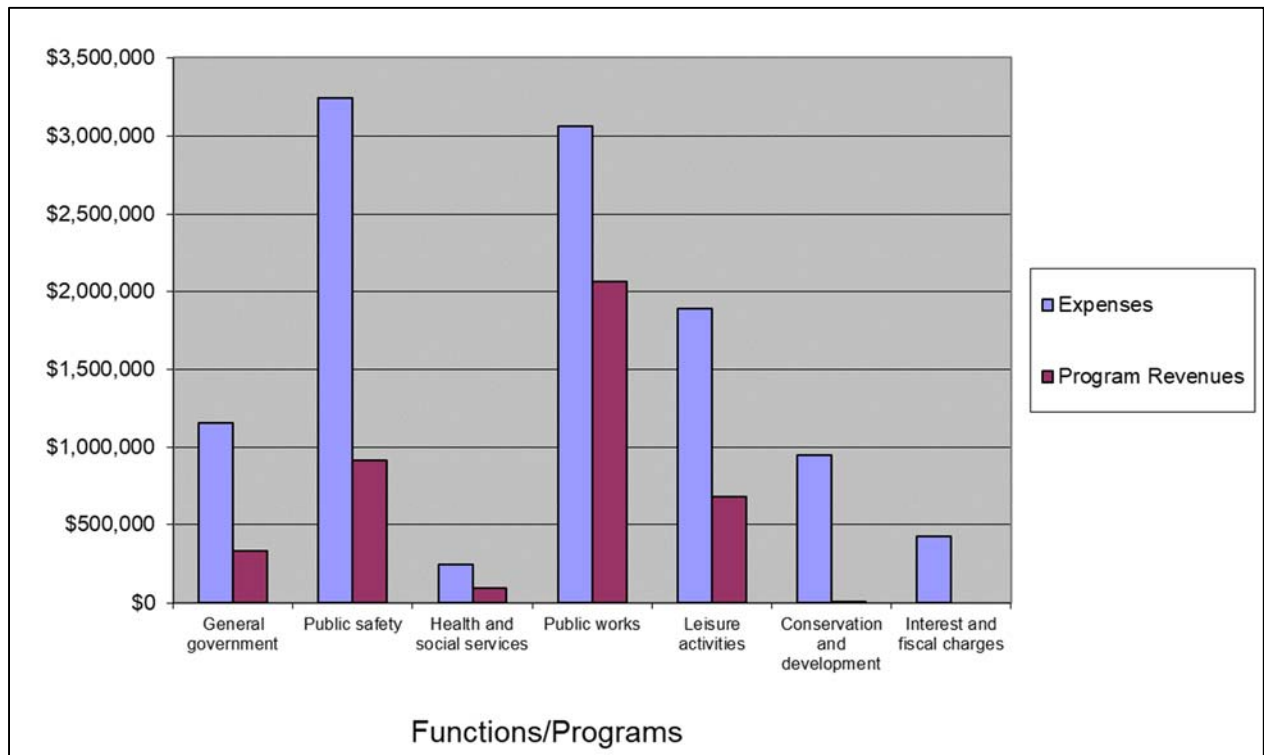
VILLAGE OF MCFARLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
As of and for the Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

GOVERNMENTAL ACTIVITIES (cont.)

Expenses and Program Revenue – Governmental Activities



BUSINESS-TYPE ACTIVITIES

The village generated \$3,697,368 in business-type activity revenue in 2019 from its Water, Sewer and Stormwater Utility Funds. This is a 26% decrease compared to 2018 when revenues were \$4,997,236. Charges for services are the largest revenue source for these operations, representing 75% of revenues.

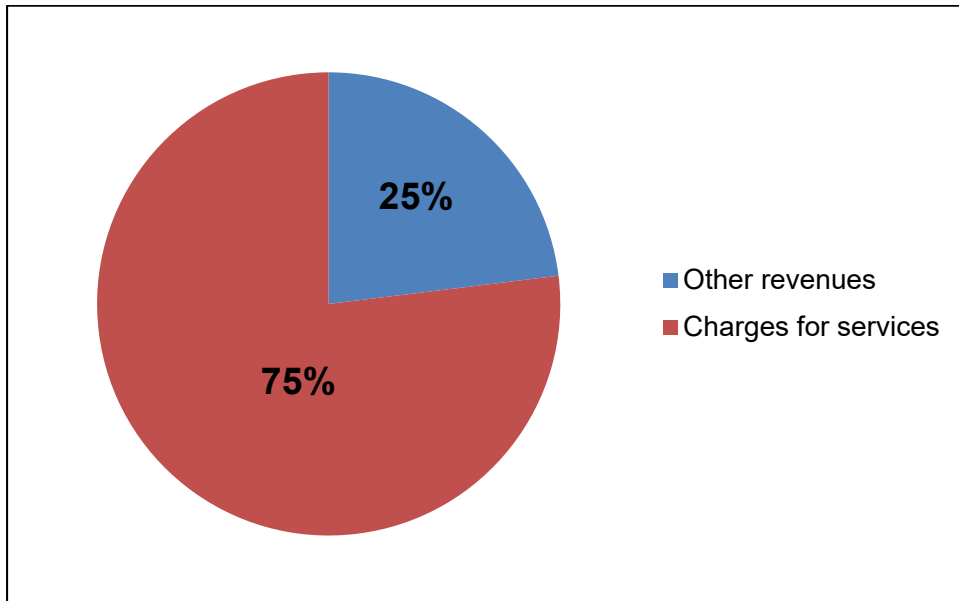
VILLAGE OF MCFARLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
As of and for the Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

BUSINESS-TYPE ACTIVITIES (cont.)

Revenue by Source – Business-type Activities



Business-type activities increased the village's net position by \$807,416 (3.9%) in 2019. This compares to an increase of \$2,298,481 (12%) in 2018. The net operating income of the business-type activities was \$217,308, down \$88,929 (29%) from the prior year. The following graph compares the charges for services to the operating expenses for each utility. The authorized rate of return for the PSCW regulated Water Utility is 7.25%. The actual rate of return for 2019 was 1.58%, down from 2.39% in 2018. The water rates in effect during 2019 were implemented on November 13, 2019, the sewer and stormwater rates became effective January 1, 2016.

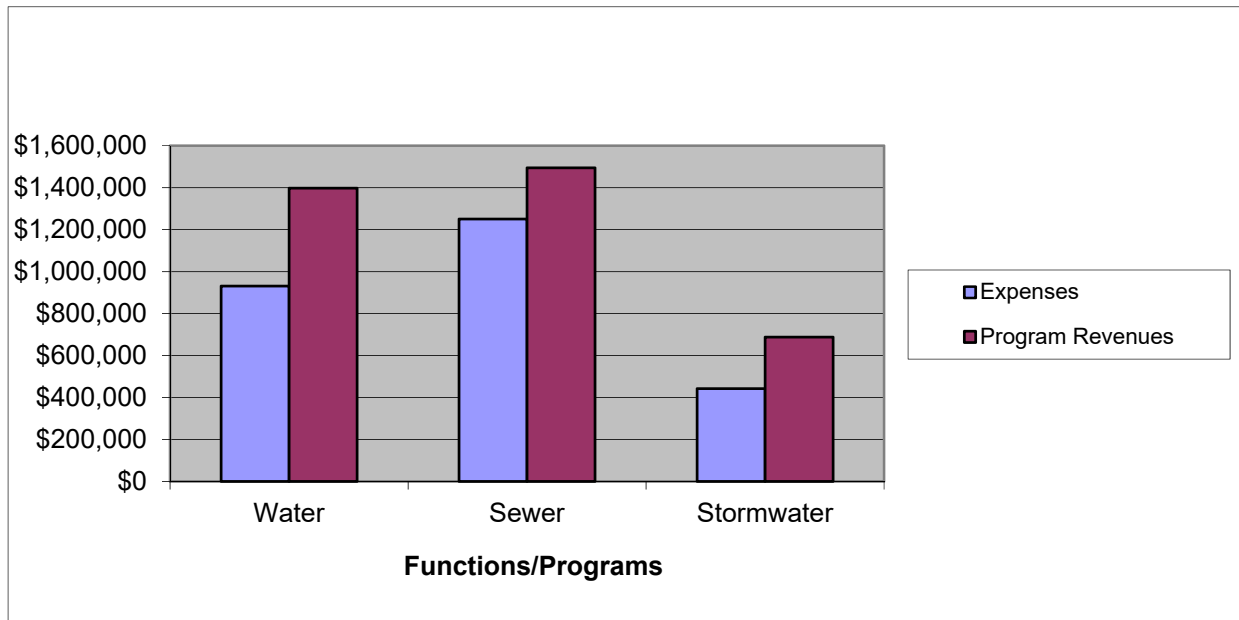
VILLAGE OF MCFARLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
As of and for the Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

BUSINESS-TYPE ACTIVITIES (cont.)

Expenses and Program Revenues – Business-type Activities



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

GOVERNMENTAL FUNDS

The focus of the Village of McFarland's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the village's financing requirement. In particular, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Village of McFarland's governmental funds reported combined ending fund balances of \$7,430,821, up \$562,221 (8.2%) from 2018. Approximately 25% of this total amount (\$1,855,739) constitutes unassigned fund balance, an increase of \$75,861 from 2018. The remainder of the fund balance, \$5,575,082, is reported in the following categories: 1) nonspendable (\$63,473), 2) restricted (\$3,307,595), 3) committed (\$1,154,198), and 4) assigned (\$1,049,816).

VILLAGE OF MCFARLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and for the Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (cont.)

GOVERNMENTAL FUNDS (cont.)

General Fund: The General Fund is the main operating fund of the village. The general fund balance decreased from \$2,929,348 to \$2,874,376, a decrease of \$54,972 (1.9%). This is a result of a decrease in revenues such as permit fees, donations and an increase in transfers made to cover capital expenditures.

General Debt Service Fund: The General Debt Service Fund balance increased \$62,337 from \$837,769 to \$900,106.

Tax Incremental District No. 3 – Capital Projects: The district was created in 2004. The district exists to recover project costs from tax increments over its remaining statutory life. The district encompasses the Terminal Drive and Triangle Street areas which parallel the Highway 51 corridor at the northern end of the village. The district has made and will continue to make needed street, sanitary sewer, and storm water public improvements in the area and provides economic development assistance to stimulate development and redevelopment. Fund balance increased by \$453,778 during the year. This increase is primarily due to TIF increment exceeding expenditures.

Capital Equipment and Projects Fund: This fund is used to account for financial resources to be used for the acquisition or construction of equipment and major facilities. Fund balance decreased by \$389,912 from \$1,436,031 to \$1,046,119. The main reason for the decrease is due to a spend down of debt proceeds.

PROPRIETARY FUNDS

The Village of McFarland's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Water and Sewer Utility: The McFarland Water and Sewer Utility is an enterprise fund of the Village of McFarland. The utility's operating expenses in 2019, excluding depreciation, increased by \$87,039 from \$1,556,858 in 2018 to \$1,643,897 in 2019. Operating revenues of the Utility decreased from \$2,148,047 in 2018 to \$2,214,001 in 2019. The Utility has an unrestricted cash balance of \$3,669,468.

Stormwater Utility: The Stormwater Utility was created July 1, 2008 and is an enterprise fund of the Village of McFarland. Operating expenses in 2019, excluding depreciation, were \$19,160 higher than those in 2018. Operating revenues increased \$5,218 (1%) from the prior year. The unrestricted cash balance at year-end was \$1,005,408.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total expenditures and other financing uses in the General Fund budget for 2019 exceeded the approved budget by \$246,319. The adopted appropriations were \$5,932,000, while the actual expenditures and other financing uses totaled \$6,178,319.

On the revenue side, the actual operating revenues and other financing sources of \$6,123,347 exceeded the final budgeted revenues and other financing sources by \$226,347.

The net operating results for the General Fund budget for 2019 thus generated a net loss of \$54,972.

VILLAGE OF MCFARLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and for the Year Ended December 31, 2019

CAPITAL ASSETS

At the end of 2019, the village had invested a total of \$65,187,822 in capital assets (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, vehicles, library improvements/collection, infrastructure and construction work in progress.

Significant capital asset additions during 2019 included the following:

> Streets	\$ 529,013
> Machinery, equipment, vehicles	1,090,001
> Soccer shelter building	444,369
> Library improvements and collections	95,134
> Water	835,819
> Sewer	291,886
> Stormwater	311,461

CAPITAL ASSETS AT YEAR-END NET OF ACCUMULATED DEPRECIATION

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 14,771,751	\$ 13,927,157	\$ 325,845	\$ 325,845	\$ 15,097,596	\$ 14,253,002
Land improvements	1,520,560	1,443,470	-	-	1,520,560	1,443,470
Buildings	11,696,085	11,251,716	-	-	11,696,085	11,251,716
Machinery and equipment	2,632,182	2,475,474	-	-	2,632,182	2,475,474
Vehicles	4,219,950	3,857,507	-	-	4,219,950	3,857,507
Library improvements/collection	1,296,953	1,209,495	-	-	1,296,953	1,209,495
Intangibles	124,274	124,274	-	-	124,274	124,274
Streets	22,044,167	21,515,154	-	-	22,044,167	21,515,154
Sidewalks	4,641,200	4,465,120	-	-	4,641,200	4,465,120
Water plant	-	-	16,107,770	15,316,573	16,107,770	15,316,573
Sewer plant	-	-	7,255,035	6,963,149	7,255,035	6,963,149
Stormwater	-	-	5,559,278	5,247,817	5,559,278	5,247,817
Construction in progress	495,333	-	-	-	495,333	-
Total Capital Assets	63,442,455	60,269,367	29,247,928	27,853,384	92,690,383	88,122,751
Less: Accumulated depreciation/amortization	(18,314,505)	(16,957,478)	(9,188,056)	(8,611,702)	(27,502,561)	(25,569,180)
Capital Assets – Net of Accumulated Depreciation/Amortization	\$ 45,127,950	\$ 43,311,889	\$ 20,059,872	\$ 19,241,682	\$ 65,187,822	\$ 62,553,571

VILLAGE OF MCFARLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and for the Year Ended December 31, 2019

LONG-TERM DEBT

During 2019, the village issued \$2,685,000 of new debt and \$1,615,000 of debt was retired. A total of \$12,640,000 in general obligation debt for governmental activities was outstanding at the end of 2019, some of which was incurred for future capital projects.

In 2019, the water and sewer utility had \$3,010,000 of general obligation debt outstanding. The stormwater utility had total general obligation debt outstanding of \$515,000.

Under Wisconsin State Statutes, Chapter 67, the Village of McFarland's aggregate general obligation indebtedness may not exceed 5% of the equalized value of taxable property located in the village. The net amount of debt at year-end that was applicable to the statutory limit was \$16,165,000 which was 31% of the maximum allowed of \$52,807,680. \$995,000 (6%) of the general obligation debt was issued to refund the 2018 State Trust Fund Loan for TIF No. 5 and will be repaid from revenue sources other than general property taxes. \$1,690,000 (10%) was issued for the capital projects fund.

VILLAGE OF MCFARLAND'S OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
General obligation bonds and notes payable	\$ 12,640,000	\$ 12,500,000	\$ 3,525,000	\$ 3,355,000	\$ 16,165,000	\$ 15,855,000
Capital lease	53,107	60,270	53,107	60,270	106,214	120,540
Total Outstanding Debt	<u>\$ 12,693,107</u>	<u>\$ 12,560,270</u>	<u>\$ 3,578,107</u>	<u>\$ 3,415,270</u>	<u>\$ 16,271,214</u>	<u>\$ 15,975,540</u>

CURRENTLY KNOWN FACTS / ECONOMIC CONDITIONS

The Village of McFarland is located adjacent to the southeast edge of the City of Madison. This proximity to a major regional commercial center which is the capital of state government and home to the flagship campus of the University of Wisconsin produces a very favorable economic climate and has resulted in steady village growth. The local economy has remained relatively stable even during periods of slowdown in the national economy. The market for existing homes strengthened significantly in 2018, and there are promising signs of increased growth in new residential construction. The local unemployment rate is well below state and federal rates. The village's 2019 population was 8,889.

The property tax base remained relatively stable, despite the challenging real estate market. With the exception of sales of certain distressed properties, sales data showed that properties generally maintained their previous value as the market for sales of existing homes continued to rebound in 2019.

The McFarland Village Board adopted the 2020 budget in November 2019. The budget authorizes General Fund expenditures of \$6,398,250, up 8.5% over the previous year. The combined property tax levy for all funds is \$6,366,250. The General Fund retains unassigned reserves well in excess of the village's policy of maintaining a minimum 20% of budgeted expenditures.

VILLAGE OF MCFARLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and for the Year Ended December 31, 2019

CURRENTLY KNOWN FACTS / ECONOMIC CONDITIONS (cont.)

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States. As of the date above, the Village's evaluation of the effects of these events is ongoing; however, we anticipate this situation could result in declines in investment income, room tax, event and building permits as well as an increase in delinquent taxes and Senior Outreach services.

The extent of the impact of COVID-19 on the Village's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

REQUESTS FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the village's finances. If you have any questions about this report or need any additional information, contact the Village of McFarland, PO Box 110, McFarland, WI 53558-0110 or at (608) 838-3153.

General information relating to the Village of McFarland, Wisconsin, can be found at the village's website, www.mcfarland.wi.us.

VILLAGE OF MCFARLAND

STATEMENT OF NET POSITION As of December 31, 2019

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 7,239,780	\$ 4,674,876	\$ 11,914,656
Receivables (net)			
Taxes	7,757,780	-	7,757,780
Delinquent personal property taxes	4,531	-	4,531
Accounts	360,555	309,331	669,886
Special assessments	-	36,109	36,109
Delinquent special assessments	860	-	860
Loans	252,201	-	252,201
Internal balances	219,928	(219,928)	-
Assets held for resale	306,320	-	306,320
Materials and supplies	-	19,450	19,450
Prepaid items	58,082	-	58,082
Restricted assets			
Cash and investments	68,497	471,155	539,652
Other assets	-	224,112	224,112
Capital Assets (net of accumulated depreciation/amortization)			
Land	14,771,751	325,845	15,097,596
Construction in progress	495,333	-	495,333
Other capital assets	29,860,866	19,734,027	49,594,893
Total Assets	<u>61,396,484</u>	<u>25,574,977</u>	<u>86,971,461</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related amounts	<u>2,325,505</u>	<u>265,758</u>	<u>2,591,263</u>
LIABILITIES			
Accounts payable	369,026	228,926	597,952
Accrued liabilities	254,949	8,587	263,536
Deposits	46,497	5,000	51,497
Due to other governmental units	520	-	520
Noncurrent Liabilities			
Due within one year	1,817,077	587,403	2,404,480
Due in more than one year	11,636,057	3,115,742	14,751,799
Net pension liability	<u>861,622</u>	<u>84,737</u>	<u>946,359</u>
Total Liabilities	<u>14,985,748</u>	<u>4,030,395</u>	<u>19,016,143</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues	7,877,405	-	7,877,405
Pension related amounts	<u>1,176,384</u>	<u>132,298</u>	<u>1,308,682</u>
Total Deferred Inflows of Resources	<u>9,053,789</u>	<u>132,298</u>	<u>9,186,087</u>
NET POSITION			
Net investment in capital assets	34,348,776	16,418,433	49,946,723
Restricted for			
Debt service	781,453	-	781,453
Equipment replacement	-	450,332	450,332
Impact fees	68,497	20,823	89,320
Library	179,957	-	179,957
TIF No. 3	1,681,082	-	1,681,082
Public Canine	48,997	-	48,997
Unrestricted	<u>2,573,690</u>	<u>4,788,454</u>	<u>8,182,630</u>
TOTAL NET POSITION	<u>\$ 39,682,452</u>	<u>\$ 21,678,042</u>	<u>\$ 61,360,494</u>

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 1,107,005	\$ 153,865	\$ 178,417	\$ -
Public safety	3,241,869	873,641	45,286	-
Health and social services	242,177	-	96,946	-
Public works	3,065,311	414,464	440,511	1,210,089
Leisure activities	1,892,912	31,541	383,974	267,027
Conservation and development	947,313	9,777	-	-
Interest and fiscal charges	420,742	-	-	-
Total Governmental Activities	<u>10,917,329</u>	<u>1,483,288</u>	<u>1,145,134</u>	<u>1,477,116</u>
Business-type Activities				
Water and Sewer Utility	2,182,049	2,214,001	-	678,404
Stormwater Utility	<u>442,243</u>	<u>541,241</u>	<u>-</u>	<u>146,778</u>
Total Business-type Activities	<u>2,624,292</u>	<u>2,755,242</u>	<u>-</u>	<u>825,182</u>
Totals	<u>\$ 13,541,621</u>	<u>\$ 4,238,530</u>	<u>\$ 1,145,134</u>	<u>\$ 2,302,298</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for TIF districts

Other taxes

Intergovernmental revenues not restricted to specific programs

Public gifts and grants

Investment income

Gain on disposal of assets

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

NET POSITION - Beginning of Year

NET POSITION - END OF YEAR

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (774,723)	\$ -	\$ (774,723)
(2,322,942)	-	(2,322,942)
(145,231)	-	(145,231)
(1,000,247)	-	(1,000,247)
(1,210,370)	-	(1,210,370)
(937,536)	-	(937,536)
(420,742)	-	(420,742)
<u>(6,811,791)</u>	<u>-</u>	<u>(6,811,791)</u>
-	710,356	710,356
-	<u>245,776</u>	<u>245,776</u>
-	<u>956,132</u>	<u>956,132</u>
<u>(6,811,791)</u>	<u>956,132</u>	<u>(5,855,659)</u>
4,677,000	-	4,677,000
1,414,750	-	1,414,750
964,516	-	964,516
122,281	-	122,281
209,140	-	209,140
20,306	-	20,306
278,767	105,034	383,801
868	-	868
<u>13,998</u>	<u>8,910</u>	<u>22,908</u>
7,701,626	113,944	7,815,570
<u>262,660</u>	<u>(262,660)</u>	<u>-</u>
<u>7,964,286</u>	<u>(148,716)</u>	<u>7,815,570</u>
1,152,495	807,416	1,959,911
<u>38,578,056</u>	<u>20,870,626</u>	<u>59,448,682</u>
<u>\$ 39,730,551</u>	<u>\$ 21,678,042</u>	<u>\$ 61,408,593</u>

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2019

	<u>General</u>	<u>General Debt Service</u>	<u>TIF No. 3 Capital Project</u>
ASSETS			
Cash and investments	\$ 2,695,038	\$ 900,106	\$ 1,087,379
Restricted cash and investments	-	-	-
Receivables (net)			
Ensuing year levy	3,863,869	1,449,500	828,009
Delinquent taxes	4,531	-	-
Accounts	302,676	-	29,953
Delinquent special assessments	860	-	-
Loans	-	-	-
Due from other funds	262,660	-	-
Prepaid items	58,082	-	-
Advances to other funds	<u>-</u>	<u>-</u>	<u>595,001</u>
TOTAL ASSETS	<u>\$ 7,187,716</u>	<u>\$ 2,349,606</u>	<u>\$ 2,540,342</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 165,146	\$ -	\$ 1,298
Accrued liabilities	202,957	-	-
Deposits	46,497	-	-
Due to other governments	520	-	-
Due to other funds	42,732	-	-
Advances from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>457,852</u>	<u>-</u>	<u>1,298</u>
Deferred Inflows of Resources			
Unearned revenues	3,820,500	1,449,500	857,962
Unavailable revenues	<u>34,988</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>3,855,488</u>	<u>1,449,500</u>	<u>857,962</u>
Fund Balance (Deficit)			
Nonspendable	63,473	-	-
Restricted	-	900,106	1,681,082
Committed	40,815	-	-
Assigned	432,653	-	-
Unassigned (deficit)	<u>2,337,435</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>2,874,376</u>	<u>900,106</u>	<u>1,681,082</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 7,187,716</u>	<u>\$ 2,349,606</u>	<u>\$ 2,540,342</u>

See accompanying notes to financial statements.

<u>Capital Equipment and Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
\$ 1,294,651	\$ 1,262,606	\$ 7,239,780
-	68,497	68,497
320,000	1,296,402	7,757,780
-	-	4,531
-	27,926	360,555
-	-	860
-	252,201	252,201
-	-	262,660
-	-	58,082
-	-	595,001
<u>\$ 1,614,651</u>	<u>\$ 2,907,632</u>	<u>\$ 16,599,947</u>

\$ 158,039	\$ 44,543	\$ 369,026
-	-	202,957
-	-	46,497
-	-	520
-	-	42,732
-	595,001	595,001
<u>158,039</u>	<u>639,544</u>	<u>1,256,733</u>

410,493	1,338,950	7,877,405
-	-	34,988
<u>410,493</u>	<u>1,338,950</u>	<u>7,912,393</u>

-	-	63,473
428,956	297,451	3,307,595
-	1,113,383	1,154,198
617,163	-	1,049,816
-	(481,696)	1,855,739
<u>1,046,119</u>	<u>929,138</u>	<u>7,430,821</u>

<u>\$ 1,614,651</u>	<u>\$ 2,907,632</u>	<u>\$ 16,599,947</u>
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See accompanying notes to financial statements.

VILLAGE OF MCFARLAND

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2019

Total Fund Balances - Governmental Funds	\$ 7,430,821
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.	
Land	14,771,751
Construction in progress	495,333
Other capital assets	48,175,371
Less: Accumulated depreciation	(18,314,505)
Assets held for resale are not reported in funds	306,320
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	34,988
The net pension liability does not relate to current financial resources and is not reported in the governmental funds.	(861,622)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	2,325,505
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(1,176,384)
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(12,640,000)
Compensated absences	(587,803)
Accrued interest	(51,992)
Capital lease payable	(53,107)
Unamortized premium on bonds and notes	<u>(172,224)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 39,682,452</u>

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2019

	General	General Debt Service	TIF No. 3 Capital Project
REVENUES			
Taxes	\$ 3,748,781	\$ 1,414,750	\$ 871,381
Intergovernmental	691,050	-	5,681
Licenses and permits	375,516	-	-
Fines, forfeitures and penalties	107,353	-	-
Public charges for services	374,608	66,661	-
Intergovernmental charges for services	255,709	-	-
Investment income	130,756	39,167	32,992
Miscellaneous revenues	136,664	-	-
Total Revenues	<u>5,820,437</u>	<u>1,520,578</u>	<u>910,054</u>
EXPENDITURES			
Current			
General government	907,136	-	40,962
Public safety	3,369,932	-	-
Health and social services	228,796	-	-
Public works	751,925	-	-
Leisure activities	255,513	-	-
Conservation and development	232,370	-	9,695
Capital Outlay	-	-	-
Debt Service			
Principal retirement	-	1,325,000	260,000
Other interest and fiscal charges	-	321,757	66,406
Total Expenditures	<u>5,745,672</u>	<u>1,646,757</u>	<u>377,063</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>74,765</u>	<u>(126,179)</u>	<u>532,991</u>
OTHER FINANCING SOURCES (USES)			
Debt issued	-	-	-
Debt premium	-	89,595	-
Sale of capital assets	-	-	-
Transfers in	302,910	98,921	-
Transfers out	(432,647)	-	(79,213)
Total Other Financing Sources (Uses)	<u>(129,737)</u>	<u>188,516</u>	<u>(79,213)</u>
Net Change in Fund Balances	(54,972)	62,337	453,778
FUND BALANCES - Beginning of Year	<u>2,929,348</u>	<u>837,769</u>	<u>1,227,304</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,874,376</u>	<u>\$ 900,106</u>	<u>\$ 1,681,082</u>

See accompanying notes to financial statements.

Capital Equipment and Projects	Nonmajor Governmental Funds	Totals
\$ 310,000	\$ 833,635	\$ 7,178,547
-	344,486	1,041,217
-	102,732	478,248
-	-	107,353
-	689,335	1,130,604
-	-	255,709
43,341	32,511	278,767
4,908	74,925	216,497
<u>358,249</u>	<u>2,077,624</u>	<u>10,686,942</u>
-	39,661	987,759
-	13,203	3,383,135
-	-	228,796
-	472,113	1,224,038
-	988,623	1,244,136
-	33,402	275,467
2,732,466	36,644	2,769,110
-	960,000	2,545,000
-	72,945	461,108
<u>2,732,466</u>	<u>2,616,591</u>	<u>13,118,549</u>
<u>(2,374,217)</u>	<u>(538,967)</u>	<u>(2,431,607)</u>
1,690,000	995,000	2,685,000
-	2,672	92,267
2,000	-	2,000
292,305	120,634	814,770
-	(40,250)	(552,110)
<u>1,984,305</u>	<u>1,078,056</u>	<u>3,041,927</u>
(389,912)	539,089	610,320
<u>1,436,031</u>	<u>438,148</u>	<u>6,868,600</u>
<u>\$ 1,046,119</u>	<u>\$ 977,237</u>	<u>\$ 7,478,920</u>

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds	\$ 610,320
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	2,769,110
Some items reported as capital outlay in the fund financial statements were not capitalized on the government wide statements	(166,958)
Depreciation is reported in the government-wide financial statements	(1,786,132)
Net book value of assets retired	(149,421)
Land held for resale is reported as an expenditure in the governmental funds when purchased and revenue when sold. However, in the statement of net position, these assets are capitalized at the lower of cost or market and held until the time of sale.	(671,054)
Contributed capital assets are reported as revenues in the government-wide financial statements	1,149,462
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are not recognized as revenue when earned in the government-wide statements.	(111,740)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Debt issued	(2,685,000)
Principal repaid - debt	2,545,000
Principal repaid - capital lease	7,163
Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.	
Debt premium	(89,595)
Amortization of premium	14,942
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	8,545
Accrued interest on debt	22,752
Net pension liability	(1,545,278)
Deferred outflows of resources related to pensions	1,044,701
Deferred inflows of resources related to pensions	185,678
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 1,104,396

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2019

	Business-type Activities - Enterprise Funds		
	Water and Sewer Utility	Stormwater Utility	Totals
ASSETS			
Current Assets			
Cash and investments	\$ 3,095,892	\$ 1,005,408	\$ 4,101,300
Receivables			
Accounts	236,429	72,902	309,331
Due from municipality	42,732	-	42,732
Materials and supplies	19,450	-	19,450
Total Current Assets	<u>3,394,503</u>	<u>1,078,310</u>	<u>4,472,813</u>
Noncurrent Assets			
Restricted Assets			
Replacement account	450,332	-	450,332
Impact fee account	20,823	-	20,823
Capital Assets			
Property and equipment	23,362,805	5,559,278	28,922,083
Land	165,570	160,275	325,845
Less: Accumulated depreciation	(7,246,757)	(1,941,299)	(9,188,056)
Other Assets			
Water tower reserve	494,786	-	494,786
Depreciation reserve	78,790	-	78,790
Special assessment receivable	36,109	-	36,109
Property held for future use	224,112	-	224,112
Total Noncurrent Assets	<u>17,586,570</u>	<u>3,778,254</u>	<u>21,364,824</u>
Total Assets	<u>20,981,073</u>	<u>4,856,564</u>	<u>25,837,637</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related amounts	<u>189,455</u>	<u>76,303</u>	<u>265,758</u>
Total Deferred Outflows of Resources	<u>189,455</u>	<u>76,303</u>	<u>265,758</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds		
	Water and Sewer Utility	Stormwater Utility	Totals
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 222,007	\$ 6,919	\$ 228,926
Customer deposits	5,000	-	5,000
Due to municipality	262,660	-	262,660
Accrued interest	6,471	2,116	8,587
Compensated absences	7,238	2,695	9,933
Current portion of lease	4,980	2,490	7,470
Current portion of general obligation debt	<u>415,000</u>	<u>155,000</u>	<u>570,000</u>
Total Current Liabilities	<u>923,356</u>	<u>169,220</u>	<u>1,092,576</u>
Noncurrent Liabilities			
Long-Term Debt			
General obligation debt	2,595,000	360,000	2,955,000
Unamortized debt premium	60,867	2,465	63,332
Other Liabilities			
Net pension liability	57,937	26,800	84,737
Compensated absences	43,462	8,311	51,773
Lease obligation	<u>30,425</u>	<u>15,212</u>	<u>45,637</u>
Total Noncurrent Liabilities	<u>2,787,691</u>	<u>412,788</u>	<u>3,200,479</u>
Total Liabilities	<u>3,711,047</u>	<u>582,008</u>	<u>4,293,055</u>
DEFERRED INFLOWS OF RESOURCES			
Pension-related amounts	<u>93,253</u>	<u>39,045</u>	<u>132,298</u>
Total Deferred Inflows of Resources	<u>93,253</u>	<u>39,045</u>	<u>132,298</u>
NET POSITION			
Net investment in capital assets	13,175,346	3,243,087	16,418,433
Restricted for			
Equipment replacement	450,332	-	450,332
Impact fees	20,823	-	20,823
Unrestricted net position	<u>3,719,727</u>	<u>1,068,727</u>	<u>4,788,454</u>
TOTAL NET POSITION	<u>\$ 17,366,228</u>	<u>\$ 4,311,814</u>	<u>\$ 21,678,042</u>

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS

For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds		
	Water and Sewer Utility	Stormwater Utility	Totals
OPERATING REVENUES			
Water	\$ 1,095,992	\$ -	\$ 1,095,992
Sewer	1,118,009	-	1,118,009
Stormwater	-	541,241	541,241
Total Operating Revenues	<u>2,214,001</u>	<u>541,241</u>	<u>2,755,242</u>
OPERATING EXPENSES			
Operation and maintenance	1,643,897	294,045	1,937,942
Depreciation	<u>465,984</u>	<u>134,008</u>	<u>599,992</u>
Total Operating Expenses	<u>2,109,881</u>	<u>428,053</u>	<u>2,537,934</u>
Operating Income	<u>104,120</u>	<u>113,188</u>	<u>217,308</u>
NONOPERATING REVENUES (EXPENSES)			
Interest on investments	81,580	23,454	105,034
Interest expense	(56,766)	(14,190)	(70,956)
Debt issuance cost	(15,402)	-	(15,402)
Miscellaneous revenues	-	575	575
Amortization of debt premium	7,256	1,366	8,622
Loss on sale of equipment	<u>(287)</u>	<u>-</u>	<u>(287)</u>
Total Nonoperating Revenues (Expenses)	<u>16,381</u>	<u>11,205</u>	<u>27,586</u>
Income Before Contributions and Transfers	<u>120,501</u>	<u>124,393</u>	<u>244,894</u>
CONTRIBUTIONS AND TRANSFERS			
Capital contributions	678,404	146,778	825,182
Transfers - tax equivalent	<u>(262,660)</u>	<u>-</u>	<u>(262,660)</u>
Total Contributions and Transfers	<u>415,744</u>	<u>146,778</u>	<u>562,522</u>
Change in Net Position	<u>536,245</u>	<u>271,171</u>	<u>807,416</u>
NET POSITION - Beginning of Year	<u>16,829,983</u>	<u>4,040,643</u>	<u>20,870,626</u>
NET POSITION - END OF YEAR	<u><u>\$ 17,366,228</u></u>	<u><u>\$ 4,311,814</u></u>	<u><u>\$ 21,678,042</u></u>

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds		
	Water and Sewer Utility	Stormwater Utility	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 1,911,395	\$ 542,862	\$ 2,454,257
Received from village for services	325,092	-	325,092
Paid to suppliers for goods and services	(1,533,519)	(202,376)	(1,735,895)
Paid to employees for services	(103,537)	(103,537)	(207,074)
Net Cash Flows From Operating Activities	<u>599,431</u>	<u>236,949</u>	<u>836,380</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	81,580	23,454	105,034
Net Cash Flows From Investing Activities	<u>81,580</u>	<u>23,454</u>	<u>105,034</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Debt retired	(404,775)	(152,388)	(557,163)
Interest paid	(54,778)	(14,190)	(68,968)
Net premium and issuance costs	28,793	-	28,793
Proceeds from debt issue	720,000	-	720,000
Acquisition and construction of capital assets	(701,008)	(181,791)	(882,799)
Capital contributions received	251,708	17,108	268,816
Net Cash Flows From Capital and Related Financing Activities	<u>(160,060)</u>	<u>(331,261)</u>	<u>(491,321)</u>
Net Change in Cash and Cash Equivalents	520,951	(70,858)	450,093
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>3,619,672</u>	<u>1,076,266</u>	<u>4,695,938</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 4,140,623</u></u>	<u><u>\$ 1,005,408</u></u>	<u><u>\$ 5,146,031</u></u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds		
	Water and Sewer Utility	Stormwater Utility	Totals
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 104,120	\$ 113,188	\$ 217,308
Nonoperating revenue	-	575	575
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities			
Depreciation	465,984	134,008	599,992
Depreciation charged to other funds	20,696	-	20,696
Changes in assets, deferred outflows, liabilities, and deferred inflows			
Accounts receivable	3,420	746	4,166
Other receivables	812	300	1,112
Accrued wages	-	(23,570)	(23,570)
Other current liabilities	-	(588)	(588)
Compensated absences	(14,533)	-	(14,533)
Due from municipality	(2,442)	-	(2,442)
Pension-related amounts	22,058	9,511	31,569
Accounts payable	(684)	2,779	2,095
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 599,431</u>	<u>\$ 236,949</u>	<u>\$ 836,380</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS			
Cash and investments	\$ 3,095,892	\$ 1,005,408	\$ 4,101,300
Restricted cash and investments			
Replacement account	450,332	-	450,332
Other assets			
Impact fee account	20,823	-	20,823
Water tower reserve	494,786	-	494,786
Depreciation reserve	78,790	-	78,790
CASH AND CASH EQUIVALENTS	<u>\$ 4,140,623</u>	<u>\$ 1,005,408</u>	<u>\$ 5,146,031</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Amortization of debt premium	\$ 7,265	\$ 1,366	
Loss on sale of asset	\$ 287	\$ -	
Developer financed additions to plant	\$ 426,696	\$ 129,670	

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND

STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUND As of December 31, 2019

	Tax Collection Fund
ASSETS	
Cash and investments	\$ 13,129,714
Taxes	<u>2,008,668</u>
Total Assets	<u>15,138,382</u>
LIABILITIES	
Due to other governments	<u>15,138,382</u>
Total Liabilities	<u>15,138,382</u>
NET POSITION	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUND

For the Year Ended December 31, 2019

	Tax Collection Fund
ADDITIONS	
Property taxes collected for other governments	\$ 10,617,938
Total Additions	<u>10,617,938</u>
DEDUCTIONS	
Property taxes distributed to other governments	<u>10,617,938</u>
Total Deductions	<u>10,617,938</u>
Change in Fiduciary Net Position	-
NET POSITION - Beginning of Year	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND

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VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of McFarland, Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the village. The reporting entity for the village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The village has not identified any organizations that meet this criteria.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In January 2017, the GASB issued statement No. 84 - *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This standard was implemented January 1, 2019.

In March 2018, the GASB issued statement No. 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. This standard was implemented January 1, 2019.

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The village does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements

Financial statements of the village are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the village or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the village believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The village reports the following major governmental funds:

- General Fund - accounts for the village's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- General Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of general long-term debt principal, interest, and related costs, other than TIF or enterprise debt.
- TIF No. 3 Capital Project Fund - accounts for expenditures outlined in the Tax Incremental Financing (TIF) District project plan and related revenues and proceeds from long-term borrowing.
- Capital Equipment and Projects - accounts for financial resources to be used for the acquisition or construction of equipment and/or major facilities.

The village reports the following major enterprise funds:

- Water and Sewer Utility - accounts for operations of the water and sewer system
- Stormwater Utility - accounts for operations of the stormwater system

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The village reports the following nonmajor governmental funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Cable	Library
Parks	Solid Waste
Youth Center	Employee Retirement
Canine	

Capital Projects Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

TIF No. 4

TIF No. 5

In addition, the village reports the following fund type:

Custodial Fund - used to account for and report assets controlled by the village and the assets are for the benefit of individuals, private organizations, and/or other governmental units.

Tax Collection Fund

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Government-Wide Financial Statements (cont.)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the village's water, sewer and stormwater and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the village is entitled the resources and the amounts are available. Amounts owed to the village which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. Delinquent special assessments being held for collection by the county are reported as receivables and nonspendable fund balance in the general fund.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer utility and stormwater utility are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of village funds is restricted by Wisconsin state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

The village has adopted an investment policy. As described in Note III.A., the village is exposed to the following deposit and investment risks: custodial credit risk and credit risk. The village's investment policy addresses each of these risks in the following manner:

Custodial Credit Risk - The village's investment policy addresses custodial credit risk by limiting all checking, savings, certificates of deposit, money market, and overnight sweeps to be covered by FDIC, state guarantee fund, other insurance agreements, or are fully collateralized. Refer to Note III.A. for compliance.

Credit Risk - The village's investment policy addresses credit risk by limiting investments to state statute allowable investments.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2019, the fair value of the village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III. A. for further information.

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the village, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of fiduciary net position.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Receivables (cont.)

Property tax calendar - 2019 tax roll:

Lien date and levy date	December 2019
Tax bills mailed	December 2019
Payment in full, or	January 31, 2020
First installment due	January 31, 2020
Second installment due	July 31, 2020
Personal property taxes in full	January 31, 2020
Tax sale - 2019 delinquent real estate taxes	October 2022

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water, sewer and stormwater utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

3. Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$10,000 for general capital assets and \$10,000 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	40-85 Years
Land Improvements	15-40 Years
Machinery and Equipment	4-35 Years
Utility System	4-100 Years
Infrastructure	30-50 Years
Vehicles	4-35 Years
Library Improvements and Collection	10-20 Years
Intangibles	10-20 Years

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

5. Capital Assets (cont.)

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

6. Other Assets

Other assets in the proprietary funds represent preliminary survey and investigation, property held for future use, cash and a long-term receivable.

7. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

8. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2019, are determined on the basis of current salary rates and include salary related payments.

9. Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

9. Long-Term Obligations/Conduit Debt (cont.)

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

10. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

11. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by the debt of the governmental activities column. The amount is a reduction of "net investment in capital assets", and an increase in "unrestricted" net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$ 34,348,776	\$ 16,418,433	\$ (820,486)	\$ 49,946,723
Unrestricted	2,573,690	4,788,454	820,486	8,182,630

When both restricted and unrestricted resources are available for use, it is the village's policy to use restricted resources first, then unrestricted resources as they are needed.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

11. Equity Classifications (cont.)

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Village Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village Board that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Board may take official action to assign amounts. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the village would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The village has a formal minimum fund balance policy. That policy is to maintain a working capital fund of 20% of the subsequent years budgeted general fund expenditures, with a targeted maximum of 25%. The balance at year end was \$2,337,435 or 36%, and is included in unassigned general fund balance.

See Note III. H. for further information.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

12. Pension

For purposes of measuring the net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13. Basis for Existing Rates

Water

Current water rates became effective on November 13, 2019. The authorized rate of return is 7.25%

Sewer

Current sewer rates were approved by the village board on December 28, 2015 and implemented on January 1, 2016.

Stormwater

Current stormwater utility rates were approved by the village board on December 28, 2015 and implemented on January 1, 2016.

14. Assets Held for Resale

Land held for resale consists of land and land improvements and is valued at cost of acquisition, demolition, and site improvements. Properties include both land intended for resale and land designated as a public area. Land held for resale is recorded at lower of cost or market value.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

A. EXCESS EXPENDITURES OVER APPROPRIATIONS

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
General	\$ 5,932,000	\$ 6,178,319	\$ 246,319
General debt service	1,610,750	1,646,757	36,007
TIF No. 5 capital project	30,500	1,047,842	1,017,342

The village controls expenditures at the function level. Some individual functions experienced expenditures which exceeded appropriations. The detail of those items can be found in the village's year-end budget to actual report.

B. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2019, the following individual funds held a deficit balance:

Fund	Amount	Reason
TIF No. 4 capital project	\$ 334,061	Excess expenditures over appropriations
TIF No. 5 capital project	147,635	Excess expenditures over appropriations

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases.

C. LIMITATIONS ON THE VILLAGE'S TAX LEVY

Wisconsin law limits the village's future tax levies. Generally the village is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the village's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The village is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The village's deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 15,753,961	\$ 14,871,448	Custodial credit risk
LGIP	9,829,614	9,810,807	Credit risk
Petty cash	447	-	N/A
Total Deposits and Investments	<u>\$ 25,584,022</u>	<u>\$ 24,682,255</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 11,914,656		
Restricted cash and investments	539,652		
Per statement of assets and liabilities -			
agency fund			
Tax collection fund	<u>13,129,714</u>		
Total Deposits and Investments	<u>\$ 25,584,022</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

The village maintains collateral agreements with its banks. At December 31, 2019, the banks had pledged various government securities in the amount of \$14,530,918 to secure the village's deposits.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the village's deposits may not be returned to the village.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk (cont.)

Deposits (cont.)

As of December 31, 2019, \$80,036 of the village's total bank balance was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 80,036
Total	<u>\$ 80,036</u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The village had investments in the external Wisconsin Local Government Investment Pool which is not rated.

See Note I.D.1. for further information on deposit and investment policies.

B. RECEIVABLES

All receivable balances are expected to be collected within one year with the exception of: delinquent property taxes (\$4,531), delinquent special assessments (\$860), and loans receivable (\$252,201). Receivables in the general fund are reported net of uncollectible ambulance receivables in the amount of \$71,237.

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 7,714,411	\$ -
Accounts receivable	-	34,988
Youth center revenue	40,250	-
Loans not yet due	2,298	-
Developer payments	<u>120,446</u>	<u>-</u>
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 7,877,405</u>	<u>\$ 34,988</u>

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Equipment Replacement Account

The sewer utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Impact Fee Account

The village has received impact fees which must be spent in accordance with the local ordinance and state statutes. Any unspent funds must be refunded to the current property owner.

Following is a list of restricted assets at December 31, 2019:

	Restricted Assets
Replacement account	\$ 450,332
Impact fee account	<u>89,320</u>
Total	<u><u>\$ 539,652</u></u>

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated/amortized				
Land	\$ 13,927,157	\$ 844,594	\$ -	\$ 14,771,751
Construction in progress	<u>-</u>	<u>495,333</u>	<u>-</u>	<u>495,333</u>
Total Capital Assets Not Being Depreciated/Amortized	<u>13,927,157</u>	<u>1,339,927</u>	<u>-</u>	<u>15,267,084</u>

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities (cont.)				
Capital assets being depreciated/amortized				
Land improvements	\$ 1,443,470	\$ 77,090	\$ -	\$ 1,520,560
Buildings	11,251,716	444,369	-	11,696,085
Machinery and equipment	2,475,474	326,968	170,260	2,632,182
Streets	21,515,154	529,013	-	22,044,167
Sidewalks	4,465,120	176,080	-	4,641,200
Vehicles	3,857,507	763,033	400,590	4,219,950
Library improvements and collection	1,209,495	95,134	7,676	1,296,953
Intangibles	124,274	-	-	124,274
Total Capital Assets Being Depreciated/Amortized	<u>46,342,210</u>	<u>2,411,687</u>	<u>578,526</u>	<u>48,175,371</u>
Total Capital Assets	<u>60,269,367</u>	<u>3,751,614</u>	<u>578,526</u>	<u>63,442,455</u>
Less: Accumulated depreciation/amortization for				
Land improvements	(389,711)	(58,482)	-	(448,193)
Buildings	(2,013,517)	(147,329)	-	(2,160,846)
Machinery and equipment	(922,603)	(179,313)	153,234	(948,682)
Streets	(8,124,061)	(616,977)	-	(8,741,038)
Sidewalks	(3,115,284)	(141,845)	-	(3,257,129)
Vehicles	(1,725,852)	(559,009)	268,195	(2,016,666)
Library improvements and collection	(642,609)	(76,612)	7,676	(711,545)
Intangibles	(23,841)	(6,565)	-	(30,406)
Total Accumulated Depreciation/Amortization	<u>(16,957,478)</u>	<u>(1,786,132)</u>	<u>429,105</u>	<u>(18,314,505)</u>
Net Capital Assets Being Depreciated/Amortized	<u>29,384,732</u>	<u>625,555</u>	<u>149,421</u>	<u>29,860,866</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation/Amortization	<u>\$ 43,311,889</u>	<u>\$ 1,965,482</u>	<u>\$ 149,421</u>	<u>\$ 45,127,950</u>

Depreciation/amortization expense was charged to functions as follows:

Governmental Activities

General government	\$ 113,162
Public safety	313,278
Public works, which includes the depreciation of infrastructure	1,110,403
Leisure activities	<u>249,289</u>
Total Governmental Activities Depreciation/Amortization Expense	<u>\$ 1,786,132</u>

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water</u>				
Capital assets not being depreciated				
Land and land rights	\$ 87,550	\$ -	\$ -	\$ 87,550
Total Capital Assets Not Being Depreciated	<u>87,550</u>	<u>-</u>	<u>-</u>	<u>87,550</u>
Capital assets being depreciated				
Source of supply	211,239	-	-	211,239
Pumping	357,710	-	-	357,710
Water treatment	4,498	-	-	4,498
Transmission and distribution	14,316,916	780,397	44,622	15,052,691
General	<u>426,210</u>	<u>55,422</u>	<u>-</u>	<u>481,632</u>
Total Capital Assets Being Depreciated	<u>15,316,573</u>	<u>835,819</u>	<u>44,622</u>	<u>16,107,770</u>
Total Capital Assets	<u>15,404,123</u>	<u>835,819</u>	<u>44,622</u>	<u>16,195,320</u>
Less: Accumulated depreciation for				
Water	<u>(4,521,588)</u>	<u>(335,816)</u>	<u>44,622</u>	<u>(4,812,782)</u>
Total Accumulated Depreciation	<u>(4,521,588)</u>	<u>(335,816)</u>	<u>44,622</u>	<u>(4,812,782)</u>
Net Capital Assets Being Depreciated	<u>10,794,985</u>	<u>500,003</u>	<u>-</u>	<u>11,294,988</u>
Net Water Capital Assets	<u>\$ 10,882,535</u>	<u>\$ 500,003</u>	<u>\$ -</u>	<u>\$ 11,382,538</u>

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Sewer</u>				
Capital assets not being depreciated				
Land and land rights	\$ 78,020	\$ -	\$ -	\$ 78,020
Total Capital Assets Not Being Depreciated	<u>78,020</u>	<u>-</u>	<u>-</u>	<u>78,020</u>
Capital assets being depreciated				
Collecting system	5,589,066	236,464	-	5,825,530
Collecting system pumping	1,043,088	-	-	1,043,088
General	<u>330,995</u>	<u>55,422</u>	<u>-</u>	<u>386,417</u>
Total Capital Assets Being Depreciated	<u>6,963,149</u>	<u>291,886</u>	<u>-</u>	<u>7,255,035</u>
Total Capital Assets	<u>7,041,169</u>	<u>291,886</u>	<u>-</u>	<u>7,333,055</u>
Less: Accumulated depreciation for				
Collecting system pumping	(102,137)	-	-	(102,137)
Sewer	<u>(2,180,686)</u>	<u>(151,152)</u>	<u>-</u>	<u>(2,331,838)</u>
Total Accumulated Depreciation	<u>(2,282,823)</u>	<u>(151,152)</u>	<u>-</u>	<u>(2,433,975)</u>
Net Capital Assets Being Depreciated	<u>4,680,326</u>	<u>140,734</u>	<u>-</u>	<u>4,821,060</u>
Net Sewer Capital Assets	<u>\$ 4,758,346</u>	<u>\$ 140,734</u>	<u>\$ -</u>	<u>\$ 4,899,080</u>

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Stormwater</u>				
Capital assets not being depreciated				
Land and land rights	\$ 160,275	\$ -	\$ -	\$ 160,275
Total Capital Assets Not Being Depreciated	<u>160,275</u>	<u>-</u>	<u>-</u>	<u>160,275</u>
Capital assets being depreciated				
Stormwater	<u>5,247,817</u>	<u>311,461</u>	<u>-</u>	<u>5,559,278</u>
Total Capital Assets Being Depreciated	<u>5,247,817</u>	<u>311,461</u>	<u>-</u>	<u>5,559,278</u>
Total Capital Assets	<u>5,408,092</u>	<u>311,461</u>	<u>-</u>	<u>5,719,553</u>
Less: Accumulated depreciation for				
Stormwater	<u>(1,807,291)</u>	<u>(134,008)</u>	<u>-</u>	<u>(1,941,299)</u>
Total Accumulated Depreciation	<u>(1,807,291)</u>	<u>(134,008)</u>	<u>-</u>	<u>(1,941,299)</u>
Net Capital Assets Being Depreciated	<u>3,440,526</u>	<u>177,453</u>	<u>-</u>	<u>3,617,979</u>
Net Stormwater Capital Assets	<u>\$ 3,600,801</u>	<u>\$ 177,453</u>	<u>\$ -</u>	<u>\$ 3,778,254</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 19,241,682</u>	<u>\$ 818,190</u>	<u>\$ -</u>	<u>\$ 20,059,872</u>

Depreciation/amortization expense was charged to functions as follows:

Business-type Activities

Water	\$ 314,832
Sewer	151,152
Stormwater	<u>134,008</u>
 Total Business-type Activities Depreciation Expense	 <u>\$ 599,992</u>

Depreciation expense may be different from business-type activity accumulated depreciation additions because of joint metering, salvage, cost of removal, internal allocations, or costs associated with the disposal of assets.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
Water and sewer utility	General fund	\$ 42,732
General fund	Water and sewer utility	<u>262,600</u>
Total - Fund Financial Statements		305,332
Less: Government-wide eliminations		<u>(85,464)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ 219,868</u>
Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 262,600
Business-type Activities	Governmental Activities	<u>(42,732)</u>
Total Government-Wide Financial Statements		<u>\$ 219,868</u>

All amounts are due within one year.

The principal purpose of this interfund is for utility items placed on the tax roll and the tax equivalent.

Advances

TIF No. 3 capital project fund is advancing funds to TIF No. 4 capital project fund. The amount advanced is determined by the deficiency of revenues over expenditures and other financing uses. TIF No. 3 capital project fund is charging interest on the 2017 advance based on the average outstanding advance balance during the year at a floating interest rate. The interest rate charged during 2019 was 0.45%. A repayment schedule was established in 2017 for a portion of the advance. An additional amount (\$43,763) was advanced in 2018. TIF No. 3 is also advancing funds to TIF No. 5. The amount advanced is determined by the amount of deficit cash as of December 31, 2019. No repayment schedule has been established for the TIF No. 5 advance.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Advances (cont.)

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
TIF No. 3 capital projects	TIF No. 4 capital projects	\$ 403,603	\$ 353,943
TIF No. 3 capital projects	TIF No. 4 capital projects	43,763	43,763
TIF No. 3 capital projects	TIF No. 5 capital projects	<u>147,635</u>	147,635
Total - Fund Financial Statements		595,001	
Less: Fund eliminations		<u>(595,001)</u>	
Total - Interfund Advances - Government-Wide Statement of Net Position		<u>\$ -</u>	

The principal purpose of this advance is to make up for excess expenditures over revenues.

Years	Principal	Interest
2020	\$ 49,660	\$ 1,820
2021	49,883	1,596
2022	50,108	1,371
2023	50,334	1,145
2024	50,561	918
2025-2027	<u>153,057</u>	<u>1,383</u>
Totals	<u>\$ 403,603</u>	<u>\$ 8,233</u>

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General fund	Water and sewer utility	\$ 262,660	2019 Water PILOT
General fund	Youth center	40,250	Reimburse for youth center costs incurred by general fund
TIF #4	TIF #3	79,213	Transfer from donor district TIF #3 to donee district TIF #4 per amendment to project plan
Debt service fund	General fund	98,921	To transfer funds from developers
Other capital projects fund	General fund	292,305	Reimburse capital costs incurred by capital project fund
Canine fund	General fund	<u>41,421</u>	Initial transfer of cash restricted for canine use to create the canine special revenue fund
Total - Fund Financial Statements		814,770	
Less: Fund eliminations		<u>(552,110)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 262,660</u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 11,570,000	\$ 2,685,000	\$ 1,615,000	\$ 12,640,000	\$ 1,740,000
General obligation notes from direct borrowings and direct placements	930,000	-	930,000	-	-
(Discounts)/Premiums	97,571	89,595	14,942	172,224	20,542
Sub-totals	<u>12,597,571</u>	<u>2,774,595</u>	<u>2,559,942</u>	<u>12,812,224</u>	<u>1,760,542</u>
Other Liabilities					
Vested compensated absences	596,348	47,030	55,575	587,803	49,065
Capital leases	60,270	-	7,163	53,107	7,470
Total Other Liabilities	<u>656,618</u>	<u>47,030</u>	<u>62,738</u>	<u>640,910</u>	<u>56,535</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 13,254,189</u>	<u>\$ 2,821,625</u>	<u>\$ 2,622,680</u>	<u>\$ 13,453,134</u>	<u>\$ 1,817,077</u>
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 3,355,000	\$ 720,000	\$ 550,000	\$ 3,525,000	\$ 570,000
(Discounts)/Premiums	27,759	44,195	8,622	63,332	-
Sub-totals	<u>3,382,759</u>	<u>764,195</u>	<u>558,622</u>	<u>3,588,332</u>	<u>570,000</u>
Other Liabilities					
Vested compensated absences	100,397	3,290	41,981	61,706	9,933
Capital leases	60,270	-	7,163	53,107	7,470
Total Other Liabilities	<u>160,667</u>	<u>3,290</u>	<u>49,144</u>	<u>114,813</u>	<u>17,403</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 3,543,426</u>	<u>\$ 767,485</u>	<u>\$ 607,766</u>	<u>\$ 3,703,145</u>	<u>\$ 587,403</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the village may not exceed 5% of the equalized value of taxable property within the village's jurisdiction. The debt limit as of December 31, 2019, was \$52,807,680. Total general obligation debt outstanding at year end was \$16,165,000.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

Governmental Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
G.O. refunding bonds	12/15/08	12/01/23	4.50-4.875%	\$ 1,415,000	\$ 1,155,000
State trust fund loan	03/25/08	03/15/20	2.30%	640,000	140,000
G.O. promissory notes	06/23/15	12/01/24	1.75-2.15%	2,460,000	1,775,000
G.O. refunding bonds	11/07/16	12/01/20	2.00-2.25%	1,710,000	220,000
G.O. promissory notes	07/20/17	12/01/26	2.00-2.25%	3,620,000	3,260,000
G.O. Promissory Note	06/21/18	12/01/27	3.00%	3,550,000	3,405,000
G.O. Promissory Note	07/22/19	12/01/28	2.00-3.00%	1,690,000	1,690,000
G.O. refunding bonds	07/22/19	04/01/38	2.10-3.05%	995,000	<u>995,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 12,640,000</u>

Business-type Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
G.O. promissory notes	12/01/11	09/01/21	2.00-2.50%	\$ 875,000	\$ 190,000
G.O. promissory notes	06/23/15	12/01/24	1.75-2.15%	2,995,000	1,940,000
G.O. promissory notes	07/20/17	12/01/25	2.00-2.25%	845,000	675,000
G.O. Promissory Note	07/22/19	12/01/28	2.00-3.00%	720,000	<u>720,000</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 3,525,000</u>

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2020	\$ 1,740,000	\$ 357,941	\$ 570,000	\$ 83,250
2021	1,535,000	293,254	660,000	64,983
2022	1,615,000	249,648	575,000	51,093
2023	2,030,000	205,948	480,000	39,715
2024	1,030,000	161,422	620,000	27,915
2025-2029	4,110,000	314,003	620,000	31,550
2030-2034	305,000	65,400	-	-
2035-2038	275,000	16,988	-	-
Totals	<u>\$ 12,640,000</u>	<u>\$ 1,664,604</u>	<u>\$ 3,525,000</u>	<u>\$ 298,506</u>

Capital Leases

Refer to Note III. G.

Other Debt Information

Estimated payments of compensated absences and the lease payable are not included in the debt service requirement schedules. The compensated absences liability and the net pension liability attributable to governmental activities will be liquidated primarily by the general fund.

See Note IV. for the net pension liability (asset) information.

Current Refunding

On July 22, 2019, the village issued \$995,000 in general obligation bonds with an average coupon rate of 2.63% to refund \$930,000 of an outstanding state trust fund loan with an average coupon rate of 4.75%. The net proceeds along with existing funds of the village were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding was \$1,460,176 from 2020 through 2038. The cash flow requirements on the refunding bonds are \$1,317,305 from 2020 through 2038. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$142,871.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. LEASE DISCLOSURES

Lessee - Capital Leases

In 2017 the Village acquired capital assets through a lease/purchase agreement. The gross amount of these assets under capital leases is \$213,349, which are included in capital assets in the governmental and business-type activities. The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2019, are as follows:

Years	Governmental Activities			Business-type Activities		
	Principal	Interest	Totals	Principal	Interest	Totals
2020	\$ 7,470	\$ 2,088	\$ 9,558	\$ 7,470	\$ 2,088	\$ 9,558
2021	<u>45,637</u>	<u>160</u>	<u>45,797</u>	<u>45,637</u>	<u>160</u>	<u>45,797</u>
Totals	<u>\$ 53,107</u>	<u>\$ 2,248</u>	<u>\$ 55,355</u>	<u>\$ 53,107</u>	<u>\$ 2,248</u>	<u>\$ 55,355</u>

H. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2019, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 14,771,751
Construction in progress	495,333
Other capital assets, net of accumulated depreciation/amortization	29,860,866
Less: Long-term capital debt outstanding	(11,208,130)
Plus: Unspent capital related debt proceeds	<u>428,956</u>
Total Net Investment in Capital Assets	<u>\$ 34,348,776</u>

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2019, include the following:

	General Fund	General Debt Service	TIF No. 3 Capital Projects	Capital Equipment and Projects	Nonmajor Funds	Totals
Fund Balances						
Nonspendable:						
Delinquent taxes and specials	\$ 5,391	\$ -	\$ -	\$ -	\$ -	\$ 5,391
Prepaid items	58,082	-	-	-	-	58,082
Sub-total	63,473	-	-	-	-	63,473
Restricted for:						
Debt service	-	900,106	-	-	-	900,106
TIF related purposes	-	-	1,681,082	-	-	1,681,082
Capital projects - unspent proceeds	-	-	-	428,956	-	428,956
Library purposes	-	-	-	-	179,957	179,957
Canine costs	-	-	-	-	48,997	48,997
Impact fees	-	-	-	-	68,497	68,497
Sub-total	-	900,106	1,681,082	428,956	297,451	3,307,595
Committed to:						
Youth center	-	-	-	-	2,751	2,751
Employee retirement	-	-	-	-	137,690	137,690
EAB response/tree planting	40,815	-	-	-	-	40,815
Cable TV	-	-	-	-	90,205	90,205
Solid waste	-	-	-	-	201,149	201,149
Parks	-	-	-	-	681,588	681,588
Sub-total	40,815	-	-	-	1,113,383	1,154,198
Assigned to:						
General capital projects	-	-	-	95,744	-	95,744
Carryovers	25,000	-	-	-	-	25,000
PILOT	262,660	-	-	-	-	262,660
Developer capital project deposits	103,228	-	-	-	-	103,228
Outreach	9,969	-	-	-	-	9,969
Vehicle replacement	-	-	-	54,796	-	54,796
Police grants	14,202	-	-	-	-	14,202
Act 102	10,588	-	-	-	-	10,588
Election equipment	7,006	-	-	-	-	7,006
Property	-	-	-	40,000	-	40,000
Facilities	-	-	-	426,623	-	426,623
Sub-total	432,653	-	-	617,163	-	1,049,816
Unassigned (deficit):	2,337,435	-	-	-	(481,696)	1,855,739
Total Fund Balances (Deficit)	<u>\$ 2,874,376</u>	<u>\$ 900,106</u>	<u>\$ 1,681,082</u>	<u>\$ 1,046,119</u>	<u>\$ 929,138</u>	<u>\$ 7,430,821</u>

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 325,845
Other capital assets, net of accumulated depreciation	19,734,027
Less: Long-term debt outstanding	(3,578,107)
Less: Unamortized debt premium	(63,332)
Total Net Investment in Capital Assets	<u>16,418,433</u>
Restricted	
Equipment replacement	450,332
Impact fee	20,823
Total Restricted	<u>471,155</u>
Unrestricted	<u>4,788,454</u>
Total Business-type Activities Net Position	<u>\$ 21,678,042</u>

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their average earnings, and creditable service.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Final average earnings is the average of the participant's three highest annual earnings period. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

Post-retirement adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable Fund Adjustment
2009	(2.1)%	(42.0)%
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$290,212 in contributions from the village.

Contribution rates for the plan year reported as of December 31, 2019 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the village reported a liability of \$946,359 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The village's proportion of the net pension liability was based on the village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the village's proportion was 0.02660430%, which was an increase of 0.00134087% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the village recognized pension expense of \$640,403.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

At December 31, 2019, the village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 737,071	\$ 1,302,873
Changes in assumptions	159,521	-
Net differences between projected and actual earnings on pension plan investments	1,382,094	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,886	5,809
Employer contributions subsequent to the measurement date	303,691	-
Totals	<u>\$ 2,591,263</u>	<u>\$ 1,308,682</u>

\$303,691 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2020	\$ 358,260
2021	89,179
2022	153,348
2023	378,103

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset):	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*:	1.9%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The Total Pension Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Long-term expected return on plan assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49%	8.1%	5.5%
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7
<u>Variable Fund Asset Class</u>			
U.S Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Single discount rate. A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a long term bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sensitivity of the village's proportionate share of the net pension liability to changes in the discount rate. The following presents the village's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the village's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Village's proportionate share of the net pension liability	\$3,760,933	\$946,359	\$(1,146,493)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

At December 31, 2019, the village reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

B. RISK MANAGEMENT

The village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the village is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the village attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the village's financial position or results of operations.

The village has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

D. TAX ABATEMENT

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The village is disclosing all abatement agreements individually.

The village through its Tax Incremental Financing Districts (TID) Nos. 3 and 4 has entered into tax abatement agreements with a developers in the form of tax incremental financing incentive payments to stimulate economic development. The abatements are authorized through the TID project plans. The developers pay property taxes as they become due, and after meeting the criteria established in the development agreements, are entitled to future incentive payments that directly correlate to the taxes paid.

Agreement Description	Calculation Method	Developer Commitment	2019 Payments
Farwell Place LLC Development Agreement	Excess Increment	Developer guarantees value set by agreement, 75% of tax payment goes towards loan retirement	\$ -
84 Lumber Development Agreement	Excess Increment	Developer guarantees value set by agreement, 50% of tax payment goes towards loan retirement	-
Waubesa Village Development Agreement - Phase 1	Excess Increment	Developer guarantees value set by agreement, 65% of tax payment goes towards loan retirement	-
High Track Development Agreement	Excess Increment	Developer guarantees value set by agreement, 50% of tax payment goes towards loan retirement	-
Spartan Properties Development Agreement	Excess Increment	Developer guarantees value set by agreement, 50% of tax payment goes towards loan retirement	-
Hillcrest Rental LLC Development Agreement	Excess Increment	Developer guarantees value set by agreement, 100% of tax payment goes towards loan retirement	-
Waubesa Village Development Agreement - Phase 2	Excess Increment	Developer guarantees value set by agreement, 65% of tax payment goes towards loan retirement	9,200
The Atwater, LLC & Lakesonte, LLC Developer Agreement	Excess Increment	Developer guarantees value set by agreement, 100% of tax payment goes toward loan retirement	-
Ezra Properties, LLC Agreement	Excess Increment	Developer guarantees value set by agreement, 100% of tax payment goes toward loan retirement	-

VILLAGE OF MCFARLAND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

E. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- > Statement No. 87, *Leases*
- > Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- > Statement No. 91, *Conduit Debt Obligations*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF MCFARLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,738,250	\$ 3,738,250	\$ 3,748,781	\$ 10,531
Intergovernmental	674,250	674,250	691,050	16,800
Licenses and permits	337,500	337,500	375,516	38,016
Fines, forfeitures and penalties	89,000	89,000	107,353	18,353
Public charges for services	313,250	313,250	374,608	61,358
Intergovernmental charges for services	256,750	256,750	255,709	(1,041)
Investment income	40,000	40,000	130,756	90,756
Miscellaneous revenues	147,750	147,750	136,664	(11,086)
Total Revenues	<u>5,596,750</u>	<u>5,596,750</u>	<u>5,820,437</u>	<u>223,687</u>
EXPENDITURES				
Current				
General government	870,000	870,000	907,136	(37,136)
Public safety	3,390,000	3,390,000	3,369,932	20,068
Health and social services	241,750	241,750	228,796	12,954
Public works	861,000	861,000	751,925	109,075
Leisure activities	356,500	356,500	255,513	100,987
Conservation and development	212,750	212,750	232,370	(19,620)
Total Expenditures	<u>5,932,000</u>	<u>5,932,000</u>	<u>5,745,672</u>	<u>186,328</u>
Excess (deficiency) of revenues over expenditures	<u>(335,250)</u>	<u>(335,250)</u>	<u>74,765</u>	<u>410,015</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	300,250	300,250	302,910	2,660
Transfers out	-	-	(432,647)	(432,647)
Total Other Financing Sources (Uses)	<u>300,250</u>	<u>300,250</u>	<u>(129,737)</u>	<u>(429,987)</u>
Net Change in Fund Balance	(35,000)	(35,000)	(54,972)	(19,972)
FUND BALANCE - Beginning of Year	<u>2,929,348</u>	<u>2,929,348</u>	<u>2,929,348</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,894,348</u>	<u>\$ 2,894,348</u>	<u>\$ 2,874,376</u>	<u>\$ (19,972)</u>

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF MCFARLAND

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2019

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/15	0.02466399%	\$ (605,815)	\$ 2,735,705	22.14%	102.74%
12/31/16	0.02415237%	392,471	2,901,661	13.53%	98.20%
12/31/17	0.02403967%	198,144	2,943,233	6.73%	99.12%
12/31/18	0.02526343%	(750,101)	3,178,136	23.60%	102.93%
12/31/19	0.02660430%	946,359	3,365,238	28.12%	96.45%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2019

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 234,105	\$ 234,105	\$ -	\$ 2,902,870	8.06%
12/31/16	232,586	232,586	-	2,944,883	7.90%
12/31/17	275,790	275,790	-	3,178,137	8.68%
12/31/18	293,935	293,935	-	3,365,238	8.73%
12/31/19	303,691	303,691	-	3,570,057	8.51%

See independent auditors' report and accompanying notes to the required supplementary information.

VILLAGE OF MCFARLAND

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2019

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C.

The budgeted amounts presented are as presented in the original budget and no amendments were adopted during the year. The village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds board action.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the function level of expenditure.

WISCONSIN RETIREMENT SYSTEM

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

The village is required to present the last ten years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Changes in assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from prior year, including the discount rate, wage inflation rate, mortality and separation rates. The Total OPEB Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

SUPPLEMENTARY INFORMATION

VILLAGE OF MCFARLAND

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
TAXES				
General property taxes	\$ 3,634,000	\$ 3,634,000	\$ 3,626,500	\$ (7,500)
Payments in lieu of taxes	102,500	102,500	107,649	5,149
Interest and penalties on taxes	1,750	1,750	7,531	5,781
Public accommodation (room) taxes	-	-	7,101	7,101
Total Taxes	<u>3,738,250</u>	<u>3,738,250</u>	<u>3,748,781</u>	<u>10,531</u>
INTERGOVERNMENTAL				
State shared revenues	109,750	109,750	109,704	(46)
Fire insurance tax (2% fire dues)	35,000	35,000	36,523	1,523
Other state shared taxes	24,250	24,250	27,428	3,178
State aid - law enforcement improvement	1,000	1,000	2,010	1,010
State aid - other public safety	6,000	6,000	6,753	753
State aid - general transportation aids	419,250	419,250	418,924	(326)
Payments for municipal services	8,750	8,750	5,207	(3,543)
In lieu of taxes on state conservation lands	250	250	118	(132)
Grants from local governments	50,500	50,500	50,351	(149)
State aid - law enforcement	19,500	19,500	19,595	95
Federal grants	-	-	14,437	14,437
Total Intergovernmental	<u>674,250</u>	<u>674,250</u>	<u>691,050</u>	<u>16,800</u>
LICENSES AND PERMITS				
Liquor and malt beverage licenses	12,000	12,000	11,530	(470)
Operators' license	6,500	6,500	6,925	425
Other business and occupational licenses	3,000	3,000	4,265	1,265
Bicycle licenses	500	500	4,470	3,970
Dog and cat licenses	3,000	3,000	3,884	884
Other nonbusiness licenses	5,000	5,000	5,551	551
Nonbusiness licenses	2,000	2,000	2,722	722
Building permits	105,000	105,000	115,764	10,764
Heating and air conditioning permits	45,000	45,000	31,034	(13,966)
Plumbing permits	45,000	45,000	37,370	(7,630)
Electrical permits	50,000	50,000	47,101	(2,899)
Other regulatory permits and fees	500	500	190	(310)
Other permits	60,000	60,000	104,710	44,710
Total Licenses and Permits	<u>337,500</u>	<u>337,500</u>	<u>375,516</u>	<u>38,016</u>
FINES, FORFEITURES AND PENALTIES				
Court penalties and costs	85,000	85,000	101,178	16,178
Parking violations	4,000	4,000	6,175	2,175
Total Fines, Forfeitures and Penalties	<u>89,000</u>	<u>89,000</u>	<u>107,353</u>	<u>18,353</u>

VILLAGE OF MCFARLAND

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
PUBLIC CHARGES FOR SERVICES				
Clerk's fees	\$ 9,000	\$ 9,000	\$ 11,095	\$ 2,095
Publication fees	500	500	1,440	940
Law enforcement fees	4,000	4,000	3,294	(706)
Fire protection fees	3,500	3,500	7,173	3,673
Ambulance fees	265,000	265,000	321,066	56,066
County highway maintenance and construction	1,250	1,250	729	(521)
Park rental	16,000	16,000	16,934	934
Plan review fees	10,000	10,000	9,777	(223)
Other public charges for services	4,000	4,000	3,100	(900)
Total Public Charges for Services	<u>313,250</u>	<u>313,250</u>	<u>374,608</u>	<u>61,358</u>
INTERGOVERNMENTAL CHARGES FOR SERVICES				
Local - law enforcement services	51,000	51,000	60,680	9,680
Local - fire services	179,250	179,250	168,029	(11,221)
Local - other services	26,500	26,500	27,000	500
Total Intergovernmental Charges for Services	<u>256,750</u>	<u>256,750</u>	<u>255,709</u>	<u>(1,041)</u>
INVESTMENT INCOME				
Interest on investments	<u>40,000</u>	<u>40,000</u>	<u>130,756</u>	<u>90,756</u>
MISCELLANEOUS				
Rent	80,500	80,500	78,120	(2,380)
Insurance recoveries	5,000	5,000	9,083	4,083
Other miscellaneous	11,000	11,000	1,211	(9,789)
Other utility non-operating revenue	46,000	46,000	46,000	-
Donations	5,250	5,250	2,250	(3,000)
Total Miscellaneous	<u>147,750</u>	<u>147,750</u>	<u>136,664</u>	<u>(11,086)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>300,250</u>	<u>300,250</u>	<u>302,910</u>	<u>2,660</u>
Total Other Financing Sources	<u>300,250</u>	<u>300,250</u>	<u>302,910</u>	<u>2,660</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 5,897,000</u>	<u>\$ 5,897,000</u>	<u>\$ 6,123,347</u>	<u>\$ 226,347</u>

VILLAGE OF MCFARLAND

DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
GENERAL GOVERNMENT				
Council/Board	\$ 71,000	\$ 71,000	\$ 73,114	\$ (2,114)
Judicial	60,250	60,250	56,852	3,398
Administrator	75,750	75,750	78,434	(2,684)
Clerk	266,000	266,000	265,681	319
Elections	8,000	8,000	7,453	547
Data processing	48,750	48,750	57,646	(8,896)
Finance	5,500	5,500	5,479	21
Assessor	40,500	40,500	40,561	(61)
Legal	96,000	96,000	115,686	(19,686)
General buildings/plant/hall	82,000	82,000	89,068	(7,068)
Risk and property management	116,250	116,250	117,162	(912)
Total General Government	<u>870,000</u>	<u>870,000</u>	<u>907,136</u>	<u>(37,136)</u>
PUBLIC SAFETY				
Police	2,094,250	2,094,250	2,095,188	(938)
Fire protection	950,750	950,750	907,488	43,262
Hydrant rental	315,000	315,000	325,092	(10,092)
Ambulance	20,750	20,750	35,113	(14,363)
Emergency government	9,250	9,250	7,051	2,199
Total Public Safety	<u>3,390,000</u>	<u>3,390,000</u>	<u>3,369,932</u>	<u>20,068</u>
HEALTH AND SOCIAL SERVICES				
Contributions to local organizations	-	-	100	(100)
Senior outreach	241,750	241,750	228,696	13,054
Total Health and Social Services	<u>241,750</u>	<u>241,750</u>	<u>228,796</u>	<u>12,954</u>
PUBLIC WORKS				
Engineering	15,000	15,000	13,593	1,407
Highway and street maintenance for local	727,000	727,000	613,673	113,327
Street lighting	119,000	119,000	124,659	(5,659)
Total Public Works	<u>861,000</u>	<u>861,000</u>	<u>751,925</u>	<u>109,075</u>
LEISURE ACTIVITIES				
Parks	<u>356,500</u>	<u>356,500</u>	<u>255,513</u>	<u>100,987</u>
CONSERVATION AND DEVELOPMENT				
Planning	<u>212,750</u>	<u>212,750</u>	<u>232,370</u>	<u>(19,620)</u>
OTHER FINANCING USES				
Transfers out	-	-	432,647	(432,647)
TOTAL EXPENDITURES	<u>\$ 5,932,000</u>	<u>\$ 5,932,000</u>	<u>\$ 6,178,319</u>	<u>\$ (246,319)</u>

VILLAGE OF MCFARLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2019

	Special Revenue Funds			
	Cable	Library	Parks	Solid Waste
ASSETS				
Cash and investments	\$ 63,778	\$ 208,034	\$ 491,590	\$ 200,520
Restricted cash and investments	-	-	68,497	-
Receivables				
Ensuing year levy	24,500	575,750	-	516,809
Accounts	26,617	504	-	805
Loans	-	-	192,296	-
TOTAL ASSETS	<u>\$ 114,895</u>	<u>\$ 784,288</u>	<u>\$ 752,383</u>	<u>\$ 718,134</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 190	\$ 28,581	\$ -	\$ 176
Advances from other funds	-	-	-	-
Total Liabilities	<u>190</u>	<u>28,581</u>	<u>-</u>	<u>176</u>
Deferred Inflows of Resources				
Unearned revenues	<u>24,500</u>	<u>575,750</u>	<u>2,298</u>	<u>516,809</u>
Total Deferred Inflows of Resources	<u>24,500</u>	<u>575,750</u>	<u>2,298</u>	<u>516,809</u>
Fund Balances				
Restricted	-	179,957	68,497	-
Committed	90,205	-	681,588	201,149
Unassigned (deficit)	-	-	-	-
Total Fund Balances	<u>90,205</u>	<u>179,957</u>	<u>750,085</u>	<u>201,149</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 114,895</u>	<u>\$ 784,288</u>	<u>\$ 752,383</u>	<u>\$ 718,134</u>

Special Revenue Funds			Capital Project Funds		Total Nonmajor Govern- mental Funds
Employee Retirement Fund	Youth Center	Canine	TIF No. 4 Capital Project	TIF No. 5 Capital Project	
\$ 137,690	\$ 43,001	\$ 49,651	\$ 68,342	\$ -	\$ 1,262,606
-	-	-	-	-	68,497
50,000	25,000	-	86,635	17,708	1,296,402
-	-	-	-	-	27,926
-	-	-	59,905	-	252,201
<u>\$ 187,690</u>	<u>\$ 68,001</u>	<u>\$ 49,651</u>	<u>\$ 214,882</u>	<u>\$ 17,708</u>	<u>\$ 2,907,632</u>
\$ -	\$ -	\$ 654	\$ 14,942	\$ -	\$ 44,543
-	-	-	447,366	147,635	595,001
-	-	654	462,308	147,635	639,544
50,000	65,250	-	86,635	17,708	1,338,950
50,000	65,250	-	86,635	17,708	1,338,950
-	-	48,997	-	-	297,451
137,690	2,751	-	-	-	1,113,383
-	-	-	(334,061)	(147,635)	(481,696)
<u>137,690</u>	<u>2,751</u>	<u>48,997</u>	<u>(334,061)</u>	<u>(147,635)</u>	<u>929,138</u>
<u>\$ 187,690</u>	<u>\$ 68,001</u>	<u>\$ 49,651</u>	<u>\$ 214,882</u>	<u>\$ 17,708</u>	<u>\$ 2,907,632</u>

VILLAGE OF MCFARLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2019

	Special Revenue Funds			
	Cable	Library	Parks	Solid Waste
REVENUES				
Taxes	\$ 24,500	\$ 544,500	\$ -	\$ 95,750
Intergovernmental	-	281,242	-	21,587
Licenses and permits	102,732	-	-	-
Public charges for services	-	14,607	260,993	413,735
Investment income	1,458	9,086	7,870	8,694
Miscellaneous revenues	322	-	-	-
Total Revenues	<u>129,012</u>	<u>849,435</u>	<u>268,863</u>	<u>539,766</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Leisure activities	-	-	-	472,113
Culture, recreation and education	121,086	827,256	-	-
Conservation and development	-	-	-	-
Capital Outlay	7,991	-	-	11,629
Debt Service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>129,077</u>	<u>827,256</u>	<u>-</u>	<u>483,742</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(65)</u>	<u>22,179</u>	<u>268,863</u>	<u>56,024</u>
OTHER FINANCING SOURCES (USES)				
Debt issued	-	-	-	-
Premium on debt issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(65)	22,179	268,863	56,024
FUND BALANCES - Beginning of Year	<u>90,270</u>	<u>157,778</u>	<u>481,222</u>	<u>145,125</u>
FUND BALANCES - END OF YEAR	<u>\$ 90,205</u>	<u>\$ 179,957</u>	<u>\$ 750,085</u>	<u>\$ 201,149</u>

Special Revenue Funds			Capital Project Funds		Total Nonmajor Governmental Funds
Employee Retirement Fund	Youth Center	Canine	TIF No. 4 Capital Project	TIF No. 5 Capital Project	
\$ 50,000	\$ 25,750	\$ -	\$ 93,135	\$ -	\$ 833,635
-	40,250	-	1,407	-	344,486
-	-	-	-	-	102,732
-	-	-	-	-	689,335
3,471	782	473	677	-	32,511
-	15,000	20,306	-	39,297	74,925
<u>53,471</u>	<u>81,782</u>	<u>20,779</u>	<u>95,219</u>	<u>39,297</u>	<u>2,077,624</u>
-	-	-	20,928	18,733	39,661
-	-	13,203	-	-	13,203
-	-	-	-	-	472,113
-	40,281	-	-	-	988,623
-	-	-	-	33,402	33,402
-	-	-	17,024	-	36,644
-	-	-	30,000	930,000	960,000
-	-	-	7,238	65,707	72,945
-	<u>40,281</u>	<u>13,203</u>	<u>75,190</u>	<u>1,047,842</u>	<u>2,616,591</u>
<u>53,471</u>	<u>41,501</u>	<u>7,576</u>	<u>20,029</u>	<u>(1,008,545)</u>	<u>(538,967)</u>
-	-	-	-	995,000	995,000
-	-	-	-	2,672	2,672
-	-	41,421	79,213	-	120,634
-	(40,250)	-	-	-	(40,250)
-	<u>(40,250)</u>	<u>41,421</u>	<u>79,213</u>	<u>997,672</u>	<u>1,078,056</u>
53,471	1,251	48,997	99,242	(10,873)	539,089
<u>132,318</u>	<u>1,500</u>	<u>-</u>	<u>(433,303)</u>	<u>(136,762)</u>	<u>438,148</u>
<u>\$ 185,789</u>	<u>\$ 2,751</u>	<u>\$ 48,997</u>	<u>\$ (334,061)</u>	<u>\$ (147,635)</u>	<u>\$ 977,237</u>

EXHIBIT II. Form of Legal Opinion

ATTORNEYS AT LAW

Telephone (414) 375-2630
Fax (414) 375-2631LEGAL OPINION

We have served as bond counsel with regard to:

\$4,545,000
VILLAGE OF MCFARLAND
DANE COUNTY, WISCONSIN
GENERAL OBLIGATION PROMISSORY NOTES
DATED JUNE 22, 2020

We hereby certify that we have examined a transcript of proceedings of the Village Board of the Village of McFarland relative to the authorization, issuance and sale of the aforesaid Notes. We have also examined the law and such other documents furnished to us as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the transcript of proceedings and other certifications furnished to us without undertaking to verify the same by independent investigation.

The Notes are numbered 1 and upward; are in the denomination of \$5,000 or any integral multiple thereof; bear interest at the rates set forth below; and mature serially on December 1 of each year, in the years and principal amounts as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2021	\$350,000	—%
2022	320,000	—
2023	370,000	—
2024	430,000	—
2025	490,000	—
2026	495,000	—
2027	655,000	—
2028	670,000	—
2029	745,000	—

Interest is payable semi-annually on June 1 and December 1 of each year commencing on June 1, 2021.

At the option of the Village, the Notes maturing on December 1, 2028 and thereafter are subject to redemption prior to maturity on December 1, 2027 or on any date thereafter. Said Notes are redeemable as a whole or in part, from maturities selected by the Village and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

We further certify that we have examined a sample of the Notes and find the same to be in proper form.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Notes (except to the extent, if any, stated in the Official Statement), and we express no opinion relating thereto (excepting only the matters set forth as our opinion in the Official Statement).

Based on our examinations, we are of the opinion, as of the date hereof and under existing law, as follows:

1. The Notes are valid and binding general obligations of the Village.
2. All taxable property in the territory of the Village is subject to ad valorem taxation without limitation as to rate or amount to pay the Notes. The Village is required by law to include in its annual tax levy the principal and interest coming due on the Notes except to the extent the necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Notes.
3. The interest on the Notes is excludable from gross income for federal income tax purposes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Village comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Village has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Notes in gross income for federal income tax purposes to be retroactive to the date of issuance of the Notes. We express no opinion regarding other federal tax consequences arising with respect to the Notes.

It is to be understood that the rights of the holders of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that enforcement of the Notes may also be subject to the exercise of judicial discretion in appropriate cases.

GRIGGS LAW OFFICE LLC

EXHIBIT III. Form of Continuing Disclosure Certificate

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Village of McFarland, Dane County, Wisconsin (the “Issuer”) in connection with the issuance of \$4,545,000 General Obligation Promissory Notes dated June 22, 2020 (the “Securities”). The Securities are being issued pursuant to a Resolution, dated April 27, 2020 (the “Resolution”). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Securities and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“National Repository” shall mean the Municipal Securities Rulemaking Board electronically through the Electronic Municipal Market Access system, available at www.emma.msrb.org, or such other website as may be determined from time to time by the Securities and Exchange Commission.

“Obligated Person” shall mean any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Securities.

“Participating Underwriter” shall mean any of the original underwriters of the Securities required to comply with the Rule in connection with the offering of the Securities.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time including any official interpretations thereof.

Section 3. Provision of Annual Reports.

(a) The Issuer shall, not later than 365 days after the end of its fiscal year, commencing with the fiscal year ending December 31, 2020, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) Documents provided to the National Repository shall be accompanied by identifying information as prescribed by the National Repository.

(c) The Issuer shall determine each year prior to providing the Annual Report the electronic address of the National Repository.

(d) If the Issuer is unable or fails to provide to the National Repository an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the National Repository in the format prescribed by the National Repository.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

(a) The Issuer's audited financial statements. The financial statements will be prepared in accordance with Generally Accepted Accounting Principles.

(b) Updates of the following sections of the final official statement:

- (1) Indebtedness – General Obligation Debt Service Schedule
- (2) Indebtedness – Debt Limit
- (3) Financial Information – Budget Summary
- (4) Financial Information – General Fund and Governmental Fund Summary
- (5) Property Valuations and Tax Levies

Any or all of the items listed above may be incorporated by reference from documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the National Repository or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. (Currently located at 1300 I Street NW, Suite 1000, Washington, DC 20005, (202) 838-1500.) The Issuer shall clearly identify each document so incorporated by reference.

Section 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events to the extent applicable to the Securities:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities or other material events affecting the tax status of the Securities;
- (7) Modification to rights of holders of the Securities, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Securities, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
- (13) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

- (15) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(For the purposes of the event identified in subsection (a) (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.)

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall as soon as possible determine under applicable legal standards if such event would constitute material information, within the meaning of the Rule, for holders or beneficial owners of the Securities, provided, that any event under subsection (a) (1), (3), (4), (5), (8) (tender offers only), (9), (11), (12) or (16) will always be deemed to be material.

(c) If the Issuer determines that knowledge of the occurrence of a Listed Event would be material, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the event, file a notice of such occurrence with the National Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Securities.

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder or beneficial owner of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders and beneficial owners from time to time of the Securities, and shall create no rights in any other person or entity.

Date: June ___, 2020

VILLAGE OF MCFARLAND
DANE COUNTY, WISCONSIN

By _____
Cassandra Suettinger,
Village Clerk/Treasurer

(SEAL)

EXHIBIT IV. Official Notice of Sale and Bid Form

OFFICIAL NOTICE OF SALE

**VILLAGE OF MCFARLAND
DANE COUNTY, WISCONSIN**

**\$4,545,000 GENERAL OBLIGATION PROMISSORY NOTES ("NOTES")
(BANK QUALIFIED)**

Date and Time BIDS will be received in the office of the Village's Municipal Advisor, Wisconsin Public Finance Professionals, LLC, ("WPFP"), 1025 South Moorland Road, Suite 504, Brookfield, Wisconsin 53005 until

10:30 A.M. (Central Time) on June 8, 2020

The bids should be directed to the Village Administrator and plainly marked "Bid for Notes". Bids may be delivered to WPFP, at the address set forth above; telephoned to WPFP at (414) 434-9644; faxed to WPFP at (414) 226-2014; emailed to cawirth@wipublicfinance.com; or submitted electronically via PARITY. Bids must be submitted via one of these methods described herein and received prior to the time established for bid opening. The time as maintained by PARITY shall constitute the official time. Neither the Village nor WPFP shall be responsible for any failure to receive a facsimile submission or email. The Village Board adopted an Authorizing Resolution on April 13, 2020 authorizing the Village Administrator to accept bids for the Notes and to award the sale of the Notes if the parameters and conditions set forth in the Authorizing Resolution are satisfied. Unless all bids are rejected, the award will be made to the bidder offering the lowest true interest cost ("TIC") to the Village not later than **2:00 P.M. Central Time, on June 8, 2020** by the Village Administrator.

Terms The Notes will be dated June 22, 2020, issued as fully registered Notes in denominations of \$5,000 each, or any integral multiple thereof, and will mature as follows:

<u>December 1</u>	<u>Principal Amount*</u>	<u>December 1</u>	<u>Principal Amount*</u>
2021	\$350,000	2026	\$495,000
2022	320,000	2027	655,000
2023	370,000	2028	690,000
2024	430,000	2029	745,000
2025	490,000		

* The Village reserves the right, after bids are opened and prior to award, to increase or decrease the amount of any individual maturity of the Notes in increments of \$5,000. In the event of any such modification, the aggregate purchase price proposed will be adjusted to maintain the same gross spread relating to underwriter compensation per \$1,000.

Interest is payable commencing on June 1, 2021 and semi-annually thereafter on June 1 and December 1 of each year calculated based on 360-day year of twelve 30-day months.

The Notes maturing December 1, 2028 and 2029 shall be subject to redemption prior to maturity, at the option of the Village, beginning on December 1, 2027 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Village and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

Undertaking to Provide Continuing Disclosure In order to assist bidders in complying with S.E.C. Rule 15c2-12(b)(5), the Village will undertake, pursuant to the Authorizing Resolution and a Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Final Official Statement. See the section entitled "Continuing Disclosure" in the Preliminary Official Statement for a description of the Village's compliance with any undertaking previously entered into by it pursuant to the Rule.

Registration The Notes will be issued as fully-registered Notes without coupons and, when issued, will be registered only in the name of Cede & Co. as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Notes. A single bond certificate for each maturity will be issued to DTC and immobilized in its custody. Individual purchases may be made in book-entry form only pursuant to the rules and procedures established between DTC and its participants, in the principal amount of \$5,000 and integral multiples thereof. Individual purchasers will not receive certificates evidencing their ownership of the Notes purchased. The Village will make payments of principal and interest on the Notes on the dates set forth above, to Associated Trust Company, National Association, Green Bay, Wisconsin, as registrar and fiscal agents for the Notes in same-day funds. Transfer of said payments to participants of DTC will be the responsibility of DTC; transfer of said payments to Beneficial Owners by DTC participants will be the responsibility of such participants and other nominees of Beneficial Owners all as required by DTC rules and procedures. No assurance can be given by the Village that DTC, its participants and other nominees of Beneficial Owners will make prompt transfer of the payments as required by DTC rules and procedures. The Village assumes no liability for failures of DTC, its participants or other nominees to promptly transfer said payments to Beneficial Owners of the Notes.

The Village shall enter into a Fiscal Agency Agreement with Associated Trust Company, National Association, Green Bay, Wisconsin, with respect to the Notes.

In the event that the securities depository relationship with DTC for the Notes is terminated and the Village Board does not appoint a successor depository, the Village Board will prepare, authenticate and deliver, at its expense, fully-registered certificate Notes in the denomination of \$5,000 or any integral multiple thereof in the aggregate principal amount of Notes of the same interest rate or rates then outstanding to the Beneficial Owners of the Notes.

Security and Purpose The Notes are general obligations of the Village. The full faith, credit and taxing powers are pledged to the payment of the principal and interest on the Notes as the same becomes due. Under current law, taxes may be levied without limitation as to rate or amount. Proceeds of the Notes will be used for the purpose of paying the costs of 2020 Capital Improvement Plan projects for general Village and water utility purposes. Projects include facilities, street, highway, and park improvements, community development expenses, and equipment acquisition.

Tax Exemption In the opinion of Griggs Law Office LLC, Milwaukee, Wisconsin, Bond Counsel, interest on the Notes is excludible from gross income for federal income tax purposes. Interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

"Qualified Tax-Exempt" Status The Notes shall be designated "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The Village Clerk or other officer of the Village charged with the responsibility for issuing the Notes shall provide an appropriate certificate of the Village as of the date of delivery and payment for the Notes confirming the "qualified" status.

Rating The Village has applied for a rating on the Notes from Moody's Investors Service. Outstanding general obligations are rated "Aa2" by Moody's.

Bidding Specifications Bids will be received on an interest rate basis in integral multiples of One-Twentieth (1/20) or One-Eighth (1/8) of One Percent (1%). Any number of rates may be bid but the difference between the highest and lowest rate bid shall not exceed Two Percent (2%). All Notes of the same maturity shall bear the same interest rate. No bid for less than \$4,545,000 nor more than \$4,660,000 plus accrued interest to the date of delivery will be considered. The Notes shall be awarded to a responsible bidder whose proposal results in the lowest true interest cost to the Village (the "successful bidder").

Village expenses incurred in connection with the offering and delivery of the Notes, including fees of Bond Counsel, Rating Agency, Municipal Advisor and the printing and distribution of Official Statements, shall be the obligation of the successful bidder. The total of these fees is \$44,425.

The successful bidder shall be responsible for paying expenses for printing and assignment of CUSIP numbers.

If the Notes qualify for the issuance of any policy of municipal bond insurance or commitment therefore at the option of the bidder, the purchase of any such insurance policy, or the issuance of any such commitment, shall be at the sole option and expense of the successful bidder of the Notes. Any increased costs of issuance of the Notes resulting from the purchase of insurance shall be paid by the successful bidder. The Village requested a rating on the Notes from Moody's Investors Service, and the fee associated with this rating is included in the total of fees, as stated above, which shall be the obligation of the successful bidder. Any other rating agency fees shall be at the responsibility of the successful bidder. Failure of the municipal bond insurer to issue the policy after the Notes have been awarded to the successful bidder shall not constitute cause for failure or refusal by the successful bidder to accept delivery on the Notes.

The Village reserves the right, after bids are opened and prior to award, to increase or decrease the amount of any individual maturity of the Notes in increments of \$5,000. In the event of any such modification, the aggregate purchase price proposed will be adjusted to maintain the same gross spread relating to underwriter compensation per \$1,000.

Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY. Subscription to the Thomson Financial Municipal Group's BIDCOMP Competitive Bidding System is required in order to submit an electronic bid. The Village will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Notes on the terms provided in the Official Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Village. The Village shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY, the use of such facilities being the sole risk of the prospective bidder.

If any provisions of the Official Notice of Sale shall conflict with information provided by PARITY as the approved provider of electronic bidding services, this Office Notice of Sale shall control. Further information about PARITY, including any fee charged, may be obtained from i-Deal, 1359 Broadway, New York, New York 10018; (212) 849-5021.

For purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by PARITY shall constitute the official time. For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the Village, as described herein. All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale and the Bid Form.

Good Faith Deposit A good faith deposit in the amount of NINETY THOUSAND NINE HUNDRED DOLLARS (\$90,900), the (“Deposit”) must be submitted in one of the following ways:

1. A bidder may submit a certified or cashier's check on a solvent bank or trust company, payable to Village Clerk, with the delivery of a bid to the office of WFPF, prior to the time established for bid opening; OR, alternatively,
2. Successful bidder shall submit a wire transfer to the Village no later than 2 p.m. (Central Time) on the sale date. The Village reserves the right to award the Notes to a successful bidder whose wire transfer is initiated, but not received by such time, provided that the federal wire reference number has been received by such time. In the event the Deposit is not received as provided herein, the Village may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award.

The Deposit will be retained, and may be invested, by the Village, pending delivery of the Notes, and will be applied to the purchase price of the Notes. No interest on the Deposit will accrue to the successful bidder. If the successful bidder fails to take up and pay for the Notes when tendered, the Deposit will be retained by the Village as liquidated damages.

Delivery/Legality/CUSIP The Notes shall be delivered in typewritten form, one bond per maturity, to the Depository Trust Company, securities depository of the Notes for the establishment of book-entry accounts at the direction of the successful bidder, which is expected to occur on or about June 22, 2020. Payment at the time of delivery must be made in federal or other immediately available funds. In the event delivery is not made within forty-five (45) days after the date of the sale of the Notes, the successful bidder may, prior to tender of the Notes, at its option, be relieved of its obligation under the contract to purchase the Notes and its Good Faith Deposit shall be returned, but no interest shall be allowed thereon.

The successful bidder will be furnished the unqualified approving legal opinion of Griggs Law Office LLC of Milwaukee, Wisconsin, Bond Counsel. A transcript of the proceedings relative to the issuance of the Notes (including a No-litigation Certificate and a Continuing Disclosure Certificate) shall be furnished to the successful bidder. CUSIP numbers will appear on the typewritten Notes. **The successful bidder will be responsible for the cost of obtaining CUSIP numbers.** Neither the failure to print such numbers on any Notes or any error with respect thereto will constitute cause for failure or refusal by the original purchaser to accept delivery of the Notes.

Establishment of Issue Price

(a) The winning bidder shall assist the Village in establishing the issue price of the Notes and shall execute and deliver to the Village at Closing an Underwriter's Certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Village and Bond Counsel. All actions to be taken by the Village under this Official Notice of Sale to establish the issue price of the Notes may be taken on behalf of the Village by the Village's municipal advisor identified herein and any notice or report to be provided to the Village may be provided to the Village's municipal advisor.

(b) The Village intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the “competitive sale requirements”) because:

- (1) the Village shall disseminate this Official Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Village may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Village anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the highest price (or lowest true interest cost), as set forth in this Official Notice of Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in the bid.

(c) If all of the requirements of a “competitive sale” are not satisfied, the Village shall advise the winning bidder of such fact prior to the time of award of the sale of the Notes to the underwriter. In such event, any proposal submitted will not be subject to cancellation or withdrawal and the Village agrees to use the rule selected by the underwriter on its bid form to determine the issue price for the Notes. On its bid form, each underwriter must select one of the following two rules for determining the issue price of the Notes: (1) the first price at which 10% of a maturity of the Notes (the “10% test”) is sold to the public as the issue price of that maturity, or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Notes (the “hold-the-offering-price rule”). Appropriate changes will be made to the Underwriter’s Certificate to reflect that the requirements of the rule selected by the Underwriter have been met.

(d) If all of the requirements of a “competitive sale” are not satisfied and the underwriter selects the hold-the-offering-price rule, the, winning bidder shall (i) confirm that the underwriter has offered or will offer the Notes to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriter participating in the purchase of the Notes, that the underwriter will neither offer nor sell unsold Notes of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriter has sold at least 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the Village promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The Village acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Notes to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer is a member of the selling group is a party to a third-party distribution

agreement that was employed in connection with the initial sale of the Notes to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in the third-party distribution agreement and the related pricing wires. The Village further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule if applicable to the Notes.

(e) If all of the requirements of a “competitive sale” are not satisfied and the underwriter selects the 10% test, the underwriter agrees to promptly report to the Village, Bond Counsel and WFPF, the prices at which the Notes have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Notes of that maturity have been sold, or (ii) the 10% test has been satisfied as to the Notes of that maturity, provided that the winning bidder’s reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the Village or Bond Counsel.

(f) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A) (i) to report the prices at which it sells to the public the unsold Notes of each maturity allotted to, whether or not the closing date has occurred, until either all Notes of that maturity allocated to it have been sold or it is notified by the winning bidder that the 10% test has been satisfied as to the Notes of that maturity provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the winning bidder; and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder and as set forth in the related pricing wires,

(B) to promptly notify the winning bidder of any sales of Notes, that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Notes to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Notes of each maturity allotted to it, whether or not the closing date has occurred, until either all Notes of that maturity allocated to it have been sold or it is notified by the winning bidder or such underwriter that the 10% test has been satisfied as to the Notes of that maturity, provided

that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the winning bidder or such underwriter, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

(g) Sales of any Notes to any person that is a related party to an underwriter participating in the initial sale of the Notes to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Village (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the public),

(iii) a purchaser of any of the Notes is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date that the Notes are awarded by the Village to the winning bidder.

Official Statement Upon the sale of the Notes, the Village will publish a Final Official Statement in substantially the same form as the Preliminary Official Statement prepared within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. Promptly after the sale date, but in no event later than seven business days after such date, the Village will provide the successful bidder (i.e., the sole underwriter or the senior managing underwriter of the syndicate to which the Notes are awarded) an electronic copy of the Final Official Statement in PDF format.

The Village shall designate the successful bidder as its agent for purposes of distributing copies of the Final Official Statement to each participating underwriter, if any. Each underwriter executing and delivering an Official Bid Form with respect to the Notes agrees thereby that if its bid is accepted by the Village (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all participating underwriters of the Notes, if any, for purposes of assuring the receipt by each such participating underwriter of the Final Official Statement.

The successful bidder agrees to supply to the Village all necessary pricing information and any participating underwriter identification necessary to complete the Final Official Statement within 24 hours after the award of Notes.

Irregularities The Village Administrator reserves the right to reject any and all bids and to waive any and all irregularities.

Information Copies of the Preliminary Official Statement and additional information may be obtained by addressing inquiries to the Village's Municipal Advisor: Wisconsin Public Finance Professionals, LLC, 1025 South Moorland Road, Suite 504, Brookfield, Wisconsin 53005; Attention: Carol A. Wirth, President, (414) 434-9644, FAX (414) 226-2014, email cawirth@wipublicfinance.com, or the undersigned.

**Matthew Schuenke, Village Administrator
McFarland Village Hall
5915 Milwaukee Street
McFarland, Wisconsin 53558
Phone (608) 838-3153
matt.schuenke@mcfarland.wi.us**

Exhibit A
Form of Issue Price Certificate

\$4,545,000
VILLAGE OF MCFARLAND
DANE COUNTY, WISCONSIN
GENERAL OBLIGATION PROMISSORY NOTES
DATED JUNE 22, 2020
ISSUE PRICE CERTIFICATE

The undersigned, on behalf of _____ (the “Underwriter”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Notes”).

1. *Reasonably Expected Initial Offering Price.*

(a) As of the Sale Date, the reasonably expected initial offering prices of the Notes to the Public by the Underwriter are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Notes used by the Underwriter in formulating its bid to purchase the Notes. Attached as Schedule B is a true and correct copy of the bid provided by the Underwriter to purchase the Notes.

(b) The Underwriter was not given the opportunity to review other bids prior to submitting its bid.¹

(c) The bid submitted by the Underwriter constituted a firm offer to purchase the Notes.

2. *Defined Terms.*

(a) *Issuer* means the Village of McFarland, Dane County, Wisconsin.

(b) *Maturity* means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Notes. The Sale Date of the Notes is June 8, 2020.

¹ Treas. Reg. §1.148-1(f)(3)(i)(B) requires that all bidders have an equal opportunity to bid to purchase Notes. If the bidding process affords an equal opportunity for bidders to review other bids prior to submitting their bids, then this representation should be modified to describe the bidding process.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Certificate with Respect to Arbitrage and Other Tax Matters and with respect to compliance with the federal income tax rules affecting the Notes, and by Griggs Law Office LLC in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

By: _____
 _____ (Name)
 _____ (Title)

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SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)

BID FORM

Village of McFarland, Dane County, WI
Attn: Matt Schuenke, Village Administrator
c/o Wisconsin Public Finance Professionals, LLC, Municipal Advisor
1025 South Moorland Road, Suite 504
Brookfield, WI 53005
(414) 434-9644 – Office (414) 226-2014 – Fax
Email: cawirth@wipublicfinance.com

June 8, 2020

Re: \$4,545,000 General Obligation Promissory Notes ("Notes")

Dated June 22, 2020

(Bank Qualified)

For all or none of the above Notes, in accordance with the Official Notice of Sale, we will pay you \$_____ (no less than \$4,545,000 nor more than \$4,660,000) plus accrued interest to date of delivery, for Notes bearing interest rates and maturing on December 1, in the stated years as follows:

<u>Maturity</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Principal*</u>	<u>Interest Rate</u>
12/01/21	\$350,000	_____	12/01/26	\$495,000	_____
12/01/22	320,000	_____	12/01/27	655,000	_____
12/01/23	370,000	_____	12/01/28	690,000	_____
12/01/24	430,000	_____	12/01/29	745,000	_____
12/01/25	490,000	_____			

***The Village reserves the right, after bids are opened and prior to award, to increase or decrease the amount of any individual maturity of the Notes in increments of \$5,000. In the event of any such modification, the aggregate purchase price proposed will be adjusted to maintain the same gross spread relating to underwriter compensation per \$1,000.**

The Notes maturing December 1, 2028 and 2029 shall be subject to redemption prior to maturity, at the option of the Village, beginning on December 1, 2027 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Village and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

This bid is a firm offer for the purchase of the Notes identified in the Official Notice of Sale, on the terms as set forth in this bid form and the Official Notice of Sale, and is not subject to any conditions, except as permitted by the Official Notice of Sale. **By submitting this bid, we confirm that we have an established industry reputation for underwriting new issuances of municipal bonds.** *(If the bidder cannot confirm an established industry reputation for underwriting new issuances of municipal bonds, the preceding sentence should be crossed out.)*

If the competitive sale requirements are not met, to determine the issue price of the Notes, we elect to use the:

(select one) **10% test** _____ / **hold-the offering-price rule** _____

Village expenses incurred in connection with the offering and delivery of the Notes, including fees of Bond Counsel, Rating Agency, Municipal Advisor, and the printing and distribution of Official Statements, shall be the obligation of the successful bidder. The total of these fees is \$44,425. The successful bidder will be responsible for the cost of obtaining CUSIP numbers.

Per the Official Notice of Sale, the winning bidder must submit a certified or cashier's check on a solvent bank or trust company, in the amount of **\$90,900**, payable to the Village Clerk, with the delivery of a bid to the office of WPFP, prior to the time established for bid opening; OR, alternatively, successful bidder shall submit a wire transfer to the Village no later than 2 p.m. (Central Time) on the sale date.

The Notes are to be accompanied by the unqualified approving legal opinion of Griggs Law Office, LLC, Milwaukee, Wisconsin, Bond Counsel, and a certificate evidencing that no litigation is pending against the Village, which will affect the validity or security of these Notes.

Respectively submitted,

Underwriter (Account Manager)

By _____

I, the duly qualified and acting Village Administrator of the Village of McFarland, do hereby accept and award the Notes pursuant to the foregoing offer, this 8th day of June, 2020 at _____ central time.

Village Administrator

NOT A PART OF BID			
Our calculation of total net interest cost using the above rates are:			
<u>Gross Interest Cost</u>	<u>Less: Premium</u>	<u>Net Interest Cost</u>	<u>True Interest Rate</u>
\$ _____	\$ _____	\$ _____	_____ %

Account Members:

Rating Action: Moody's assigns Aa2 to McFarland, WI's GO notes

03 Jun 2020

New York, June 03, 2020 -- Moody's Investors Service assigns a Aa2 to the Village of McFarland, WI's \$4.5 million General Obligation Promissory Notes. We maintain the Aa2 rating on the village's outstanding general obligation unlimited tax (GOULT) debt. Following the sale, the village will have \$20.7 million of GOULT debt outstanding.

RATINGS RATIONALE

The Aa2 rating reflects the village's strong financial position supported by a wealthy tax base favorably located adjacent to the City of Madison (Aaa stable). Fixed costs are elevated due to an above-average debt burden, however the pension burden is modest.

We regard the coronavirus outbreak as a social risk under our ESG framework, given the substantial implications for public health and safety. The coronavirus crisis is not a key driver for this rating action. We do not see any material immediate credit risks for McFarland. However, the situation surrounding coronavirus is rapidly evolving and the longer term impact will depend on both the severity and duration of the crisis. If our view of the village's credit quality changes, we will update the rating and/or outlook at that time.

RATING OUTLOOK

Outlooks are typically not assigned to issuers with this amount of debt.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Substantial tax base growth
- Moderation of fixed costs

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Deterioration of the tax base and/or weakening of resident income levels
- Material narrowing of operating reserves or liquidity
- Significant increases to the debt or pension burden

LEGAL SECURITY

Debt service is secured by the village's GOULT pledge, which benefits from a designated property tax levy that is unlimited as to rate or amount.

USE OF PROCEEDS

Proceeds will finance capital improvement projects, including facilities, street and park improvements, community development, and public safety equipment.

PROFILE

The Village of McFarland is located just south of the City of Madison, encompassing 4 square miles in Dane County (Aa1 stable). It provides a full range of municipal services, including public safety, public works and municipal utilities, to over 9,000 residents.

METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in September 2019 and available at https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBM_1191097. Alternatively, please see the Rating Methodologies page on www.moody.com for a

copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

For ratings issued on a program, series, category/class of debt or security this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series, category/class of debt, security or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

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CREDIT OPINION

3 June 2020



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McFarland (Village of) WI

Update to credit analysis

Summary

[McFarland](#) (Aa2) benefits from a very strong financial position, providing flexibility to offset its limited revenue-raising ability. The village's revenue structure insulates it from near-term economic declines related to the coronavirus as property taxes are the dominant revenue source and the largest portion has already been collected for the year. Fixed costs are elevated given an above-average debt burden, however pension liabilities are modest.

We regard the coronavirus outbreak as a social risk under our ESG framework, given the substantial implications for public health and safety. We do not see any material immediate credit risks for McFarland. However, the situation surrounding coronavirus is rapidly evolving and the longer term impact will depend on both the severity and duration of the crisis. If our view of the credit quality of the village changes, we will update our opinion at that time.

Credit strengths

- » Strong financial position
- » Modest pension burden with no other post-employment benefit (OPEB) liabilities

Credit challenges

- » Elevated fixed costs
- » Limited revenue-raising flexibility because of state-imposed levy limits

Rating outlook

Outlooks are typically not assigned to issuers with this amount of debt.

Factors that could lead to an upgrade

- » Substantial tax base growth
- » Moderation of fixed costs

Factors that could lead to a downgrade

- » Deterioration of the tax base and/or weakening of resident income levels
- » Material narrowing of operating reserves or liquidity
- » Significant increases to the debt or pension burden

Key indicators

Exhibit 1

McFarland (Village of) WI	2015	2016	2017	2018	2019
Economy/Tax Base					
Total Full Value (\$000)	\$794,452	\$815,493	\$883,718	\$936,011	\$1,056,154
Population	8,092	8,168	8,235	8,492	9,031
Full Value Per Capita	\$98,177	\$99,840	\$107,312	\$110,223	\$116,948
Median Family Income (% of US Median)	145.5%	142.9%	140.4%	140.0%	140.0%
Finances					
Operating Revenue (\$000)	\$6,718	\$6,682	\$6,974	\$7,346	\$7,341
Fund Balance (\$000)	\$2,518	\$2,843	\$3,368	\$3,664	\$3,711
Cash Balance (\$000)	\$2,454	\$2,790	\$3,132	\$3,836	\$3,595
Fund Balance as a % of Revenues	37.5%	42.6%	48.3%	49.9%	50.6%
Cash Balance as a % of Revenues	36.5%	41.7%	44.9%	52.2%	49.0%
Debt/Pensions					
Net Direct Debt (\$000)	\$8,691	\$6,898	\$9,323	\$12,560	\$12,693
3-Year Average of Moody's ANPL (\$000)	\$4,511	\$6,397	\$7,137	\$7,952	\$8,519
Net Direct Debt / Full Value (%)	1.1%	0.8%	1.1%	1.3%	1.2%
Net Direct Debt / Operating Revenues (x)	1.3x	1.0x	1.3x	1.7x	1.7x
Moody's - adjusted Net Pension Liability (3-yr average) to Full Value (%)	0.6%	0.8%	0.8%	0.8%	0.8%
Moody's - adjusted Net Pension Liability (3-yr average) to Revenues (x)	0.7x	1.0x	1.0x	1.1x	1.2x

Sources: Moody's Investors Service, the village's audited financial statements, US Census Bureau

Profile

The Village of McFarland is located just south of the [City of Madison](#) (Aaa stable), encompassing 4 square miles in [Dane County](#) (Aa1 stable). It provides a full range of municipal services, including public safety, public works and municipal utilities, to over 9,000 residents.

Detailed credit considerations

Economy and tax base: wealthy Madison-area tax base

The coronavirus is driving an unprecedented economic slowdown. We currently forecast US GDP to decline significantly during 2020 with a gradual recovery commencing toward the end of the year. Local governments with the highest exposure to the tourism, healthcare, retail, oil and gas and international trade sectors could suffer particularly severe impacts.

McFarland's \$1.1 billion tax base is primarily residential (80.6% of equalized value) with a notable commercial presence (18.2%). Its close proximity to the Madison metropolitan area has supported steady residential development, with the tax base averaging strong annual growth of 6.5% over the past five years. The village's largest single-family home subdivision, known as Juniper Ridge, is entering the ninth and final phase of home construction. Two other subdivisions are in the final phases of development, with all three expected to be fully built out by 2021. There is very modest taxpayer concentration, with the top ten taxpayers accounting for only 5.1% of assessed value. Resident development is expected to remain strong given the area's high demand for housing and a large amount of land available for development.

McFarland does not face immediate credit risk driven by economic weakness as it is not materially reliant on tourism, healthcare or international trade. Many residents commute for employment given the city's proximity to Madison. Locally, the village's largest employers are [McFarland School District](#) (Aa3, 349 employees), American Tel-A-Systems Inc. (133 employees) and Pick'n Save Supermarket (100 employees).

Financial operations and reserves: solid operating reserves and liquidity

Ongoing development within McFarland has resulted in steadily growing property tax revenue and has supported the village's strong financial position. McFarland's available operating fund (general and debt service funds) balance was \$3.7 million at the close of fiscal

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2019, equivalent to 50.6% of revenue. The village's largest source of revenue is property taxes, which comprised 70.3% of fiscal 2019 operating fund revenue, followed by state aid at 9.4%. The fiscal 2020 budget includes a very modest \$25,000 use of fund balance.

Personal property taxes must be paid to the village treasurer in full by January 31, while real estate taxes are payable in full by January 31, or in two installments on January 31 and July 31. As a result, the village has received approximately 75% of its 2020 tax revenue, which should insulate its financial position from near-term declines because of a coronavirus-related slowdown. Property tax revenue could decline in later years, however, if assessed values were to decline or delinquencies were to spike.

Like many [Wisconsin](#) (Aa1 stable) municipalities, the village manages and finances development through various tax increment districts (TIDs) that could pose operating pressure if revenues were to fall short of projections. McFarland had three active TIDs at the close of fiscal 2019. TIDs #3 and #4 are both generating TID revenues, however TID #3 currently acts as a donor district to TID #4, transferring \$79,000 in fiscal 2019 to support operations. Additionally, TID #3 advances funds to both TID #4 and TID #5 to cover deficit cash positions, recording advances receivable of \$595,000 in fiscal 2019. Advances between TIDs are expected to be repaid as increment is realized, with a payment plan established for TID #4 which repays its advance by 2027. Favorably, total TID revenues are sufficient to cover debt service payments on associated bonds. The village has not yet had to use general revenues to support debt service and projects adequate coverage going forward.

LIQUIDITY

The village closed fiscal 2019 with a net cash position of \$3.6 million, or a strong 49% of operating revenue.

Debt and pensions: above average debt burden; modest pension liabilities

Fixed costs will remain elevated given regular borrowing and rapid principal repayment, however the pension burden is modest and the village carries no other post-employment benefits (OPEB) liabilities. McFarland is in the process of issuing \$4.5 million of general obligation unlimited tax (GOULT) notes for equipment purchases and capital projects. Following the sale, the village's debt burden will be above-average at 1.6% of full value and 2.3x operating revenue. The village has no plans for additional general obligation (GO) debt in 2020, but anticipates issuing approximately \$12 million of GO debt in 2021, including \$10 million for a new public safety center. Fixed costs, inclusive of debt service and pension contributions, were an elevated 26.2% of operating revenue in fiscal 2019.

DEBT STRUCTURE

All of the village's debt is fixed rate. Principal amortization is rapid with 97.2% retired within ten years.

DEBT-RELATED DERIVATIVES

The village has no exposure to any debt-related derivatives.

PENSIONS AND OPEB

McFarland participates in the Wisconsin Retirement System (WRS), a statewide cost-sharing plan. Contributions are determined using a level contribution actuarial method in an effort to keep employer and employee contribution rates at a level percentage of payroll over time, and are set at 100% of the plan's funding requirement. As a result, WRS remains one of the best-funded public employee retirement systems in the country, with statewide employer contributions to WRS in 2018 totaling 152.9% of the amount needed to tread water¹.

The village's three-year average adjusted net pension liability (ANPL) is \$8.5 million, or 1.2x operating revenue and 0.8% of full value. Moody's ANPL reflects the use of a market-based discount rate to value pension liabilities rather than the assumed rate of investment return on plan assets. In comparison, the reported net pension liability (NPL), based on the plan's 7% discount rate, was a much lower \$862,000 in fiscal 2019.

The village does not offer any other post-employment benefits (OPEB).

ESG considerations

ENVIRONMENTAL

Environmental considerations are not material to this rating action. Overall exposure to environmental risk is low for US local governments. Impacts on agriculture are forecast to be among the most significant economic effects of climate change in the Midwest.

SOCIAL

The village experienced strong population growth in recent decades because of its easy access to the state capital and employment opportunities throughout Dane County. Between 2000 and 2010 the population grew 21.7%, with further growth of 8.8% since the 2010 census. Resident income levels are strong, with median family income estimated at 140% of the US. As of April 2020, Dane County's unemployment rate was 11.3%, well below both the state (14.1%) and nation (14.7%), based on estimates from the Wisconsin Department of Workforce Development and the U.S. Bureau of Labor Statistics.

GOVERNANCE

The village's financial management is strong, adhering to long-term capital planning and a fund balance policy of 20% of budgeted general fund expenditures, a level which it currently exceeds.

Wisconsin cities, including villages, have an Institutional Framework score of "A," which is moderate. The sector's major revenue source, property tax revenue, is subject to a cap that restricts cities from increasing their operating property tax levies except to capture amounts represented by net new construction growth. Revenue and expenditures tend to be predictable. Across the sector, fixed and mandated costs are generally high. Many cities use tax increment districts to attract economic development, often issuing debt to fund initial infrastructure in undeveloped areas. While tax increment districts are ultimately expected to generate revenue sufficient to cover initial city outlay, cities are exposed to economic downturns which could halt development.

Rating methodology and scorecard factors

The [US Local Government General Obligation Debt methodology](#) includes a scorecard, a tool providing a composite score of a local government's credit profile based on the weighted factors we consider most important, universal and measurable, as well as possible notching factors dependent on individual credit strengths and weaknesses. Its purpose is not to determine the final rating, but rather to provide a standard platform from which to analyze and compare local government credits.

Exhibit 2

McFarland (Village of) WI

Scorecard Factors and Subfactors	Measure	Score
Economy/Tax Base (30%) ^[1]		
Tax Base Size: Full Value (in 000s)	\$1,056,154	A
Full Value Per Capita	\$116,948	Aa
Median Family Income (% of US Median)	140.0%	Aa
Finances (30%)		
Fund Balance as a % of Revenues	50.6%	Aaa
5-Year Dollar Change in Fund Balance as % of Revenues	19.1%	Aa
Cash Balance as a % of Revenues	49.0%	Aaa
5-Year Dollar Change in Cash Balance as % of Revenues	15.8%	Aa
Management (20%)		
Institutional Framework	A	A
Operating History: 5-Year Average of Operating Revenues / Operating Expenditures	1.0x	Baa
Debt and Pensions (20%)		
Net Direct Debt / Full Value (%)	1.6%	Aa
Net Direct Debt / Operating Revenues (x)	2.3x	A
3-Year Average of Moody's Adjusted Net Pension Liability / Full Value (%)	0.8%	Aaa
3-Year Average of Moody's Adjusted Net Pension Liability / Operating Revenues (x)	1.2x	A
Scorecard-Indicated Outcome		Aa2
Assigned Rating		Aa2

[1] Economy measures are based on data from the most recent year available.

[2] Notching Factors are specifically defined in the US Local Government General Obligation Debt methodology.

[3] Standardized adjustments are outlined in the [GO Methodology Scorecard Inputs publication](#).

Sources: Moody's Investors Service, the village's audited financial statements, US Census Bureau

Endnotes

- 1 Employer contributions that tread water equal the sum of current year service cost and interest on reported net pension liabilities at the start of the year, using reported actuarial assumptions. If plan assumptions are met exactly, contributions equal to the tread water indicator will prevent the reported net pension liabilities from growing. Net liabilities may decrease or increase in a given year because of factors other than the contribution amount, such as investment performance that exceeds or falls short of a plan's assumed rate of return.

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VILLAGE BOARD SUMMARY SHEET

MEETING DATE: Monday, June 8, 2020

SECTION: Business

DEPARTMENT: Administration

CONTACT: Matt Schuenke, Village Administrator

AGENDA ITEM: Discussion and action regarding consideration for the Operational Reopening Plan regarding Village services.

PREVIOUS ACTION:

None.

ISSUE SUMMARY:

Please find enclosed the Operational Reopening Plan for the Village of McFarland. This plan provides a Department by Department evaluation of the services they provide showing the before and after affect of the virus outbreak. A description in the changes to personnel is provided as well safety needs that may have been implemented or may still be needed to advance the service. Our plan is also tied to the Forward Dane Plan as they are applicable and attempts to project any costs implications that might exist as a result of all of these changes. For the most part, everything continues to function with the most disruption caused in those services that require in-person contact to provide. This is a systematic problem and the biggest threat to continued outbreak, so Staff was careful to balance the need for reintroducing in person contact with the service provided.

This is a work in progress, it remains fluid and adaptive to the environment around it. The links to the Forward Dane Plan are estimates that could adjust to transition before that estimate or after based on what we are attempting to accomplish. What remains clear is that Village Staff continues to go above and beyond to meet the demand for our residents, whatever that may be. Also have to recognize we may fall back in the plan and will undoubted advance in the plan at various speeds as well as the notion that the plan may not exist one day abruptly due to legal challenges.

FINANCIAL/BUDGET IMPACT:

This document does outline some general financial implications as it relates to the services we provide. This is not meant to be nor does it include detailed figures, projections, etc. regarding the impacts on our revenues and expenses. This detailed information was provided on May 11th analyzing our finances within certain categories through April. We will look at a second version of this at our meeting on June 22nd reviewing the same metrics and discussing potential future outlooks and implications as best we can identify them. This plan is meant to focus on service



deliver and how that is being reintroduced to the Community as we transition from closure to reopening.

VILLAGE PLAN REFERENCE:

None.

ORDINANCE REFERENCE:

None.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

Presented for approval.

ATTACHMENTS:

1. McFarland Operational Reopening Plan 06042020



OPERATIONAL REOPENING PLAN

COVID-19 RESPONSE
JUNE 4, 2020

Reopening Plan

Introduction

As we as a Community begin to assess the world around us and prepare for a transition out of closure and isolation, the Village too needs to be able to plan for our path forward with the services that we provide. This plan is offered to provide a progressive approach to reopening of the services provided by the Village in a safe and cost effective manner for the residents that receive these services. This plan does not extend onto or control the liberties of private individual, but simply serves as a Department by Department guide on how we get back to providing operations as they were previously experienced.

The plan itself looks at the services provided before closure and how these were adjusted after closure as well as the impacts that took on our staffing. Looking ahead it attempts to identify the safety needs to provide these services within a future timeline best estimated through the Forward Dane Plan. Finally, it discusses the cost implications of this evolution whereby some things have been completed to date and some things may yet to be decided. This plan was prepared by Department Heads under the guidance of the Administrator in order to work collaboratively with the Village Board and Community to experience these quality services once again. We eased into closure within a safe manner, we will ease out of it just the same in a safe manner. This has been an immense challenge and an arduous journey that is not complete, Village Staff has stepped up to provide an extraordinary effort in the face of this pandemic past, present, and into the future.

Matthew G. Schuenke
Village Administrator

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Section A *Administration*

Cassandra Suettinger, Village Clerk/Treasurer

Section B *Communications and Technology*

Stephanie Miller, Director

Section C *Community Development*

Andrew Bremer, Director

Section D *Facilities*

Matt Schuenke, Administrator

Section E *Fire and Rescue*

Chris Dennis, Chief

Section F *Library*

Heidi Cox, Director

Section G *Municipal Court*

Wendy Motl, Court Clerk

Section H *Public Works*

Jim Hessling, Director

Section I *Police*

Craig Sherven, Chief

Section J *Senior Outreach*

Lori Andersen, Director

Section K *Forward Dane Plan*

Public Health Madison & Dane County

Reopening Plan

Section A

Administration

Summary

The Department is providing all of the services it would normally provide with exception for those that require in-person contact. The main challenge for the Department is providing for the safety measures necessary to resume those aspects of the services provided that may involve in-person contact. We have identified a few items of note that will assist in moving the Department closer to being able to offer in person service again for those applicable services. This includes a new physical barrier at the front counter and individual barriers at each of the workstations within the front office. Elections will remain a large effort (and challenge) of the Department especially heading into the Fall cycle with a Presidential Election in November. Absentee process for the August primary will begin in June and Staff is waiting to see what if any direction and/or funding will be provided by the County or State for this purpose. Discussion at those levels remain ongoing to assist in these efforts within the future elections to be held this year.

General Outlook

The general outlook for the Department looks GOOD as it has demonstrated an ability to adjust how it provides services to ensure their continuity even during closure. Their ability to return to normal operations is present absent the ability to serve people in-person, but with some safety precautions could be reinstated sooner within the plan. Staff continues to find alternative ways to serve the public while remaining closed which has advanced essential and non-essential functions of the Department.

A. Administration

Index	Service	Before	After	Staffing Adjustments	Safety Needs	Forward Dane Phase to return to Before Condition (Sector/Phase)	Cost Implications
1	General Customer Service Inquiries for the Village	Available in-person, US Mail, fax, telephone, and email.	No in-person service, all other forms available.	PW Staff combined with Admin, half Staff work in person and half Staff work remotely. Shift on a weekly basis.	Physical barrier at front counter.	Office Spaces Phase 2	\$5,500 for physical barrier at front counter (in process).
2	Licensing & Permits	Available in-person and by US Mail.	No in-person service, other form available.	Staffing has adjusted to providing all licenses and permits through only US Mail, both incoming and outgoing.	See Item A(1).	Office Spaces Phase 2	See Item A(1).
3	Processing utility payments and other accounts receivable	Offered in-person, by US Mail, and online payment.	No in-person payments, all other forms available.	Staffing has adjusted to only collecting payments through the US Mail or online. Admin and PW Staff are working together on payment reconciliation.	See Item A(1). Additionally consider a new drop box external to the building. Also presently incurring cost of online fees as well as not charging late fees or interest penalties.	Office Spaces Phase 2	See Item A(1). Additional drop box will cost approximately \$1,000-\$3,000 and would be installed within the Municipal Center Parking Lot to allow for drive thru service.
4	Finance Fees and Charges	Customers cover the costs of online fees, late penalties, and interest on non-payment. Additionally they pay for approved increases in fees.	All fees, penalties, interest, and fee increases have been suspended with the Village absorbing those costs.	The intent here is to comply with State orders which previously mandated this but also to encourage more online transactions while limiting in person contact. During this time there have been no late fees or interest penalties, additionally online fees are waived.	Works in concert with previously listed items and meant to encourage less in person contact.	Office Spaces Phase 3	Absorbing online fees cost approximately \$1,200 per month, waiving penalties and interest costs approximately \$900 per month. Adding the secure drop box from Item 3 will help address this item. Furthermore, we can begin to advertise the return of these charges while we are in Phase 2 for implementation in Phase 3.
5	Elections – Absentee Voting	Offered in-person in the Administration Office or through US Mail.	Offered in-person in the Community Room or through US Mail.	Admin Staff split between Office and Room. Additional Staff repurposed from other Depts as well as volunteers utilized.	Additionally considering costs for supplies, PPE, and cleaning products to conduct the election safely. Evaluating options through Local, County, and State initiatives to push absentee voting through US Mail in the Fall.	All Sectors All Phases	The additional costs simply to administer a high absentee turn out election range from \$4,000-\$7,000 per election. This is dependent on needed supplies, absentee turnout, and related printing, postage, mailing materials needed. The State has announced they will send absentee request forms to all voters in the State without a current request on file, with the County also considering such an action. If we were to do something similar, we could expect to spend approximately \$2,000 - \$3,000 per mailing.
6	Elections – In-Person Voting	Offered in-person in the Community Room.	Offered in-person in the Community Room.	Drawing from current Poll Worker pool, limiting shifts, repurposed other Staff, recruiting Volunteers.	May need to consider larger venue for November Presidential Election.	All Sectors All Phases	Cost to be evaluated and determined as part of planning process.
7	Notary Services	Offered in-person	Not being offered.	Admin Staff provide this as a courtesy and since it requires to be done in person, not being conducted at this time.	See Item A(1).	Office Spaces Phase 2	See Item A(1).

8	Park Reservations	Offered in-person and online.	No in-person service, other form available. Reservations only available into the future.	Staff has adjusted to only fulfilling reservations through online format.	See Item A(1) regarding in person ability for this service within Admin. See Item D(ii)(1) within Public Works regarding when shelters can be used again.	See Item A(1) regarding in person ability for this service within Admin. See Item D(ii)(1) within Public Works regarding when shelters can be used again.	See Item A(1) regarding in person ability for this service within Admin. See Item D(ii)(1) within Public Works regarding when shelters can be used again.
9	Payroll	Completed on bi-weekly basis.	Completed on bi-weekly basis.	No change in service. Staff is cross training on functions. Those not normally performing this duty, now are. Also capable to do so remotely.	None.	All Sectors All Phases	None.
10	Accounts Payable	Completed on a weekly basis.	Completed on a weekly basis.	No change in service. Staff is cross training on functions. Those not normally performing this duty, now are. Also capable to do so remotely.	None.	All Sectors All Phases	None.
11	Deposits	Completed on a weekly basis.	Completed every two weeks.	Unless a large sum is received, deposits are completed when by Deputy Treasurer when present based on her scheduled rotation.	None.	All Sectors All Phases	None.

Reopening Plan

Section B

Communications and Technology

Summary

Overall, the Communications and Technology Department has been able to provide and continue its services to Village Staff and the Community. One of the main additions, or changes, that was implemented was the way in which public meetings are being held. A Zoom Business Account was purchased in order to host Zoom Webinars for the various boards, committees, and commissions to meet virtually. Although the department normally has one staff member present to record and broadcast these meetings, another staff member has been needed in order to conduct, host, and monitor these webinars. In turn, this change has required two staff to be involved for every public meeting. Additionally, further information, how-to guides, and virtual assistance was implemented into the workflow of the department in order to aide all members of the boards, committees, and commissions. The goal was, and still remains, to allow everyone to participate virtually.

Although the department has always been available as an IT helpdesk for Village staff, the need for this has increased due to many employees working from home and has required the Communications and Technology staff to work "on call." Implementations were made for many employees to access everything remotely in a safe and secure way. The department's Microsoft Surface Pro Tablets have been checked-out to various employees in order for them to properly work from home. Additional software support and accessibility were also implemented.

Lastly, another shift in the department has been their event programming. Due to the pandemic, many events they generally broadcasted and recorded were canceled. In turn, though, their services are being utilized and increased within other circumstances in order to provide alternative, virtual offerings to the public, i.e. McFarland High School Graduation Speeches, The Summer Library Program, Police Training videos, and the upcoming Elections.

General Outlook

The general outlook for the Communications and Technology Department looks GOOD, but busy, as we have demonstrated an ability to adjust on how to provide our services to Village staff and the Community. What the department can offer during this shift of in-person to virtual and vis-versa will be crucial in the upcoming months of potential uncertainty. Staff will continue to find and offer alternative ways to serve Village staff and the community to the best of their abilities based on the Communications and Technology employees that are present.

B. Communications and Technology

Index	Service	Before	After	Staffing Adjustments	Safety Needs	Forward Dane Phase to return to Before Condition (Sector/Phase)	Cost Implications
1	Public Meetings	Held in person at the Municipal Center. One Employee present to televise/record meeting as well as setup and take down when meeting is complete.	Held as Zoom webinar with Chairperson and Staff Member present. Limited public seating. Two Employees now present for the meeting as before and also to run Zoom. Additional tasks to prepare for and run the meeting.	Key change for Department is having two Employees present which is the Director and Tech Specialist (only 2 in Department at present). Holding Zoom webinars has (at least on the front end) required additional coordination to train, send invites, get people online, move between attendee/panelist, etc.	Continue monthly subscription to Zoom. Consider in the future its ongoing necessity after in-person meetings have resumed. Furthermore, the 2020 Budget already provided funds to advance virtually meetings for dual recording, cameras, etc.	Essential Infrastructure Businesses Phase 3	The monthly Zoom subscription costs \$75 per month. Transition back to in person meetings likely within Phase 3 depending on meetings planned, forecasted attendance, and ability to meet social distancing guidelines.
2	Technology Assistance	Offer technology support and help to all Village Departments.	Increased availability to continue this service internally, less on an in person basis and more to support work from home where possible.	Mainly provided by the Technology Specialist, additional time is as a result of other services not being able to be provided presently by the Department. Director assists with communication of major initiatives. Similar to before but more "on call" in the current condition, also more connectivity to boards, commission, and committee members.	Support handled remotely, using existing software and hardware as available.	All Sectors All Phases	None.
3	Public Communications	PSAs, stories, general info, etc. being relayed to the public/residents daily via social media, website, cable channels, Outlook (print), and Lookout (digital).	Increased need for communications due to high demand of providing direction and answers to the Community for issues of local, regional, and global concern. Similar media utilized as before, but at a higher frequency. Has lead to more Dept specific posts as well as increases in our followers on social media and the e-newsletter.	Director continues to over see these aspects working closely with other Staff members as needed. Trying to maintain one voice within the Village on these matters and coordinate with other entities.	Coordination and delivery handled remotely, using existing software and hardware as available.	All Sectors All Phases	None.
4	Programming/Video Content	Provide various cable programming and video content outside of our normal meetings that are broadcast, such as high school athletics and other Village events.	All public events, athletic or otherwise have been cancelled. Other than our meetings above in item 1 there are no other opportunities for live broadcasting similar to before.	Current Staff focusing on virtual opportunities for this Service and working with Departments on how they can continue to work with them for programs. While we are presently not providing this service like in the before condition because the opportunities are not available to do so, we are evaluating other opportunities that may take place yet this year in the future.	If creating programming again as in the before condition, Staff will need to be provided appropriate levels of PPE and will need to maintain social distancing while broadcasting.	High Risk Recreational Activities Phase (To be determined) Forward Dane has established this Sector but not guidance on when it would be allowed. Listed as Phase 2 at the earliest but presently to be determined.	PPE costs and cleaning supplies have been procured and shared with other Departments as needed.

5	Technical Infrastructure	Most Departments have workstations that are “static” rendering them incapable of working remotely if needed.	Those Staff members that have mobile computers can undock and work remotely while many cannot and are provided surface pros and other repurposed hardware as its available.	Does not affect current Staffing but would be an amenity to consider as part of our replacement schedule. Further discussion would be required to discuss to what extent we want to provide this technology and at what pace to implement. Collaborative discussion between the Department, Village Board, Staff, and our network administrator in order to provide work from home alternatives, safely, and securely.	Provides more flexibility to work remotely and from home if need be that is flexible and tailored to the Employee versus general use. Provides safer working condition if in person is not recommended and employee is still needed.	All Sectors All Phases	Costs for this will be wide ranging based on the extent it is implemented. Should be determined through a computer replacement plan and integrated into annual CIP as desired.
6	Meeting Room Upgrades	One of the main capital projects for the Department was to update the technology in the meeting rooms. This project was started in the Winter heading into Spring.	Continued to work on this as time and staff was available. Cameras have been replaced with HD. Projectors in main rooms have been replaced. Working on audio next.	Current Staff has been working on this as time allows. About 1/3 of the work was done before the closure, another 1/3 has been completed since, and about 1/3 remains to be finished.	With the Municipal Center closed, this has provided for a safe work environment. A lot of the work is done individually and in partnership with others, but using PPE and distancing when needed.	All Sectors All Phases	The cost for this project is approved within the 2020 Budget at an expense of \$40,000. To date approximately \$28,000 has been expended.
7	WiFi Upgrades	The expansion of more wireless devices has put a strain on our WiFi system. With better internet now in place, Staff has been working to improve this layout and functionality.	Continued to work on this as time and staff was available. Replacing access points, rewiring new access points, etc. for expanded coverage.	Current Staff has been working on this as time allows. Most of the planning work and ordering was complete prior to closure. Have been working to replace and install equipment since then.	With the Municipal Center closed, this has provided for a safe work environment. A lot of the work is done individually and in partnership with others, but using PPE and distancing when needed.	All Sectors All Phases	The cost for this project is approved within the 2020 Budget for the Dept’s Capital allowance. The total amount projected for WiFi improvements is forecasted around \$6,000. The total budget allocation is \$30,000 of which \$11,000 has been expended.

Reopening Plan

Section C

Community & Economic Development

Summary

The Department is providing all of the services it would normally provide with exception for those that require in-person contact. The main challenge for the Department is providing for the safety measures necessary to resume those aspects of the services provided that may involve in-person contact. They have identified a few items of note that will assist in continuing to provide for in-person service including a new physical barrier at Clerk's permit window/counter and a new secure door/wall opposite the Administrator's office to prevent public access to private office space. Returning to before conditions for on-site building permit inspections will be dependent upon safety protocols from the contracted building inspection firm used by the Village.

General Outlook

The general outlook for the Department looks GOOD as it has demonstrated an ability to adjust how it provides services to ensure their continuity even during closure. Their ability to return to normal operations is present absent the ability to serve people in-person, but with some safety precautions could be reinstated sooner within the plan. Department Staff continue to experience a high volume of workload (i.e. – permits, project reviews, new development planning, etc.), and are doing everything they can to make themselves available without having to meet in person to do so.

C. Community & Economic Development

Index	Service	Before	After	Staffing Adjustments	Safety Needs	Forward Dane Phase to return to Before Condition (Sector/Phase)	Cost Implications
1	Resident/Development Meetings	In person at the Municipal Center.	No in person, only virtual.	Staff is presently meeting with individuals only over the phone or via teleconference regarding prospective projects and issues.	No additional needs identified at this time. In person meetings will be tied to reopening of Municipal Center to the public.	Essential Infrastructure Businesses Phase 2	No additional costs forecasted.
2	Public Meetings	In person at the Municipal Center for the Plan Commission, CDA, Landmarks, Sustainability Committee, Zoning Board of Appeals.	Limited in person attendance for meetings, all conducted as Zoom webinar.	Chair and lead Staff member are present in person to facilitate the meeting from the Municipal Center. Same process as Section B(1) of this Reopening Plan.	See Section B(1).	See Section B(1).	See Section B(1).
3	Building and Zoning Permits	Applicants will mail/drop off or pickup permits at the Municipal Center. Payable generally by check only.	Plan sets have to be sent via the mail or placed in the secure Drop Box. Applicants may also email the same to expedite the review process. Payment expanded to mailed check, check in the drop box, or credit card over the phone.	Building Inspector hours limited to office from 7:30 to 8:45 am limit cross contamination. Inspector carries tablet in order to work remotely and still be accessible. Dept Clerk works from home until 9:00 am. Director works a combination of home and in the office. Staff connects daily and/or as needed.	Staff continues to clean around their workspace and apply distancing within the Municipal Center. Consideration should be given to entry way to the Dept. Known previously as a security concern but also potential public access concern...1) window when opened provides exposure, and 2) provides direct access into main office. Consideration could be given to replacing the window and adding a new wall/door across from Administrator's office.	Essential Infrastructure Businesses Phase 2	Cleaning supplies and PPE as needed are available for use. The cost to add the window is \$1,380, order purchased. The cost to add the wall and door is estimated at \$7,500.
4	Building Inspection	Inspections are provided in person at all job sites that have been previously permitted.	Inspections conducted by photo/video for closed buildings that are occupied. Inspections conducted in person for open buildings that are unfinished and unoccupied with exception for up to two site managers present but following social distancing.	See item 3 regarding changes to the Inspector's schedule and work plan. Staff remains present and available to schedule inspections according to the after condition.	PPE is available and utilized by Inspector when present in the public conducting inspections. Changes in safety protocol will be dependent upon guidance from the Contracted Firm inspections are provided and guidance in the Forward Dane plan to the extent it is available.	Essential Infrastructure Businesses Phase 3	No additional cost forecasted.
5	Property Maintenance Enforcement	Drive by and on-site inspections twice a week by PT Prop Maint Officer, supplemented by Director and Dept Clerk as needed. Including on-site meetings with property owners as needed.	No site and in person meetings with property owners.	Limited enforcement activities took place in April with PT Prop Maint Officer released to home and Court suspended. Other Staff monitored code violation complaints in April and resumed enforcement/citation activities from a distance in May.	PPE is available and utilized by PT Prop Maint Officer as needed. Directed to keep safe distance and minimize contact with individuals while completing on-site investigations. Communicates remotely via the telephone.	Essential Infrastructure Businesses Phase 3	No additional cost forecasted other than the loss of a month's worth of enforcement activity.

Reopening Plan

Section D

Facilities

Summary

The Municipal Center and Public Works Center have been closed to the Public since March of this year except in limited circumstances. This will likely continue for a period of time longer until the Forward Dane Plan is further along within its phasing. Mainly because of the complexities of having so many different Departments operating within a single facility, they each have their own challenges as to how they reintroduce interacting with the public again when in-person. All Departments are doing everything they can to provide services in the absence of direct contact and as outlined in the other plans have done a good job to identify alternatives to do so. Following through on the plans set by the Departments within the Municipal Center along with the other safety needs identified are the keys to a safe reopening of this facility for public use. Additional items like meeting room space and exercise space will come along further in time as we ease back into the new normal. The Public Works Center already has limited public contact within their facility and will be undergoing renovation this Summer rendering it inaccessible to the public anyway.

General Outlook

The general outlook for the named Facilities looks GOOD as this plan demonstrates a progressive path to reopening as core services remain ongoing and we ease back into providing services in person. Key here to maintaining a positive outlook for our Facilities is following through on the Department plans identified.

D. Facilities

Index	Service	Before	After	Staffing Adjustments	Safety Needs	Forward Dane Phase to return to Before Condition (Sector/Phase)	Cost Implications
1	Public Access to Municipal Center	Building was open to the Public from 7:00 am to 9:00 pm M-F and some weekend hours.	Building was closed to the public entirely.	The Municipal Center houses Administration, Comm Tech, Comm Devel, Court, Fire/Rescue, Police, and Senior Outreach. Needless to say a lot of different essential services that are needed. Each Dept’s response is contained separately within this plan but general public access has been closed to limit exposure, spread.	There are two exceptions to this that will continue: 1) in person election responsibilities (See A(5) & (6)); and 2) public meetings (See B(1)). The main safety need to is following through with steps identified by each Dept within the facility to allow in person services again. They are different and vary by Dept, but if met would allow for a safe reopening.	Office Spaces Phase 2	Costs to consider are converting normally things that require touch to function to touchless operation. This applies to doors (~\$100 per door), toilets (~\$125 per toilet), soap dispensers (~\$90 per dispenser), etc. Additionally, while there is not a cost associated with it, development of a facility use policy for the rooms that are used by the public could also be developed as a guide for how they operate going forward.
2	General Use of Rooms within the Municipal Center	Conference rooms available for rental and in-person use by the Public.	Building was closed to the public entirely.	Admin staff is not taking reservations at this point and all standing reservations are canceled until further notice.	Municipal Center has upgraded and expanded its cleaning since the outset of the pandemic. Additional steps identified in item (1) should be considered prior to restarting public use of these spaces as well as consideration for size limitations and social distancing requirements.	Office Spaces Phase 3	See item (1) on touchless costs and (4) on cleaning.
3	Exercise Classes in the Community Room	Daily M-F, several sessions throughout the day.	Building was closed to the public entirely.	The Community Room has been divided to focus on two main functions. First, expansion of the meals on wheels program has required more use of this space due to the increase in demand for that service. Second, public meetings when held require the other half of this space to function.	Increase in cleaning and additional touchless features are recommended where applicable. Need to consider limits on class sizes and social distancing. Introducing the public to these areas again, especially around food distribution to a vulnerable population is very risky and should not be considered until after the meal program has resumed normal operations.	Office Spaces Phase 4	See item (1) on touchless costs and (4) on cleaning.
4	General Cleaning	Building received standard cleaning on M, W, F.	Building received standard cleaning on M-F and enhanced to include new cleaning products and additional touchpoints.	This is a contracted service and was expanded to cover more areas. Standard service included mainly high traffic public areas. This was expanded to include private areas and door handles, light switches, chairs, handles, copy machines, printers, etc. The cleaning agent was also changed to specifically disinfect for viruses.	This is a requirement of the Forward Dane plan and frankly necessary now as well as going forward for the safety of all individuals in the building as well as the public when opened again.	All Sectors All Phases	The additional cleaning costs added approximately \$2,250 per month on top of what we normally pay. During the Emergency Declaration though we may be able to get some of these costs reimbursed.

* These items or “services” are geared towards the Municipal Center but would apply also to the Public Works Center to the extent they are applicable. It should be noted that the Public Works Center will soon be under construction which will adjust obviously how that facility is used during that time.

** It should be noted that the operations contained within the Library facility are under the discretion of the Library Board. How their operations affect the use of that Facility are contained within Section F (Library) of the Reopening Plan.

Reopening Plan

Section E

Fire and Rescue

Summary

The Department has been required to maintain close to the normal level of services, and the reductions in service were within public education. While the Department was exempted by the orders issued over the last few months, we initiated several measures to ensure the core capabilities were maintained. We have continued monitoring the situation, staff, supplies, and supply chains throughout the pandemic. We have been making adjustments as needed and have been able to begin adjusting to more normal operations. The modifications will be minor and require some time to complete and will most likely be several months before we are complete. We expect the usage of Personal Protective Equipment (PPE) will continue similarly for the majority of the year and may extend into next year. We are expecting shipments to arrive as needed to support our needs. We have been able to maintain our services for fire protection plans and site reviews. Our essential fire inspections have occurred with the utilization of PPE. We will begin performing more regular fire inspections in the coming weeks and will be utilizing PPE to complete those inspections. Our staff has remained healthy, and the availability of staff has not been a concern. We have made adjustments to our approach and supporting medical calls. We have reduced the number of staff being exposed while providing more supportive roles with our On-Call Duty Officers and firefighters.

General Outlook

We have been fortunate in the area of expenses and revenues. We saw a reduction in ambulance transports during March and April but seen above average in January and February. May is returning to an average level of transports. We are expecting to be able to meet the budget for revenues and may exceed. We have seen increased expenditures for PPE, but have seen decreased in other areas with training and payroll. The training and payroll expenditures are working together as we have reduced our training to keep healthy staff. We have received stimulus funds and have submitted a request for additional funds. We are closely monitoring our financial accounts, and only one account is trending to exceed the budget amount, and that is in vehicle maintenance. We have experienced unplanned repairs on the 2005 engine. The outlook for the operations of the Department and its finances remains very GOOD at the present.

D. Fire and Rescue

Index	Service	Before	After	Staffing Adjustments	Safety Needs	Forward Dane Phase to return to Before Condition (Sector/Phase)	Cost Implications
1	Emergency Medical Services	Respond to all calls for Emergency Medical Services.	Respond to all calls for Emergency Medical Services.	Varied but with a minimum of 2 EMTs per call, ideally would prefer 3 EMTs, and occasionally up to 4 FFs depending on the nature of the call.	Staff are outfitted with full PPE for every call, all calls are handled in the same manner. EMTs also address patient (at least initially) on an individual basis, not as a group. Dispatch has been able to conduct additional call screening as well.	All Sectors. All Phases.	Main cost is associated with the additional PPE that is required when responding to calls. Current supplies are adequate with total costs for additional supplies estimated at \$1,500.
2	Fire Emergency Response	Respond to all calls for Fire emergency response.	Respond to all calls for Fire emergency response.	Varied based on the nature of the call, but minimum response of 4 FFs for each call.	Staff are outfitted with their turnout gear for Fire calls and additional PPE is available to them as needed depending on the nature of the call.	All Sectors. All Phases	See cost comment for Item 1 above, applies Department wide for PPE costs.
3	Fire Prevention and Safety Inspections	Inspect all public buildings at least annually.	Inspect all public buildings at least annually, but placed on hold at the outset of the outbreak.	Fire Inspector to resume inspections as they would normally be conducted beginning June 1 st while wearing PPE.	Inspector will wear and utilize PPE while conducting inspections.	Essential Infrastructure Businesses Phase 1	See cost comment for Item 1 above, applies Department wide for PPE costs.
4	Licensed Premise Inspections	Inspect establishments of all permit requests.	Inspect establishments of all permit requests, but placed on hold at the outset of the outbreak.	Fire Inspector to resume inspections as they would normally be conducted for al alcohol licensed premises. Began in May while wearing PPE.	Inspector will wear and utilize PPE while conducting inspections.	Essential Infrastructure Businesses Reopening Phase	See cost comment for Item 1 above, applies Department wide for PPE costs.
5	Public Education	Open to public on a monthly basis or as needed, mainly in person.	Modified to be virtually based as applicable and limiting in person contact.	Limited to one instructor from within the Department.	Will follow in-person guidelines and limits on attendance as well as utilize appropriate forms of PPE. Evaluate further virtual options for this service.	Essential Infrastructure Businesses Phase 3	See cost comment for Item 1 above, applies Department wide for PPE costs.
6	Department Training	Weekly group trainings held in person.	Large group trainings placed on hold, began 1 on 1 training and will evolve into small groups.	The Dept holds weekly trainings typically in a group setting for its membership, this was adjusted at the outset of the outbreak to follow available guidelines and recommendations.	Continue to monitor guidance for group meetings held in person. A lot of these trainings are hands on given the nature of the work as well as in close proximity.	Essential Infrastructure Businesses Phase 4	No additional cost forecasted for these trainings, more of a timing question and how it might line up with recommendations/guidelines.
7	Building Tours	In-person tours of the facility that are either drop in or scheduled in advance.	No tours provided.	Given the essential nature of the core services of the Dept, tours of the facility by the public have been suspended for the time being.	No additional safety measures recommended.	Essential Infrastructure Businesses Phase 4	No additional costs forecasted.
8	Department Access	Open to all Employees and guests of Dept Staff.	Access limited to just Dept Staff.	Trying to limit cross contamination, interacting via teleconference, phones, and email more to not expose Staff. Isolating individuals in certain areas within the Department.	No additional safety measures recommended.	Essential Infrastructure Businesses Phase 4	No additional costs forecasted.
9	Fitness Area for Employees	Open to All Employees and Dept. Staff.	Closed for use by all.	Phased return likely for Dept. Staff and then eventually all Employees as applicable. Main issue is that the area is located within the heart of the Dept. and hard to isolate without exposing the whole Dept.	Need to provide proper cleaning material for use of equipment.	Essential Infrastructure Businesses Phase 4	Dept will provide what is needed through existing funds approved within 2020 Budget.

10	Vehicle Readiness	Career and Volunteers perform as needed.	Career and Volunteers perform as needed.	Making sure all vehicles are functional, equipment with necessary supplies, clean, and ready for service when called out.	Staff maintains distancing when applicable and utilizing PPE as needed.	All Sectors. All Phases.	See cost comment for Item 1 above, applies Department wide for PPE costs.
11	Prescribed Burning	Assigned to available Dept. Staff when needed and requested.	Spring burns cancelled until further notice.	Initial round of burns were cancelled so as to not create unnecessary fire response when focus was on pandemic response. May return in the Fall if conditions are better.	Staff maintains distancing when applicable and utilizing PPE as needed.	Essential Infrastructure Businesses Phase 4	See cost comment for Item 1 above, applies Department wide for PPE costs.

Reopening Plan

Section F

Library

Summary

The Library has been heavily impacted by the outbreak of the virus and recommendations/requirements regarding their ability to provide ongoing service. Initially the facility was required to close and it was specifically prohibited to be able to check out or check in materials from its patrons. In late April this was able to evolve into their ability to allow curbside service by appointment only. This has been very popular as people have taken advantage of this and the times that are available to the point additional times are being added. The next step is to grow into an express Library whereby the Lobby and Meeting Room would be opened up for public access. This would contain some materials that patrons could look through and then ultimately check out through new and additional self-checkout stations. Beyond that its unlikely the Library will reopen again until the new normal is achieved which could be a while. The main reason is the process by which they have to follow to check out materials and then check them back in. Specific procedures are followed to quarantine materials once received that takes up additional space within public areas that have to remain off limits. There are also additional concerns regarding social distancing and cleaning requirements for the large facility. Throughout this though program have still been delivered with Facebook live activities for kids that have been very popular. These will continue also likely through the end of the year.

General Outlook

The outlook here for the Library is FAIR at the moment given the limitations on their ability to return to some resemblance of normal. They are making efforts to provide what they can and that offering is growing, but likely will be some time before operations resume to the some sort of before condition.

F. Library

*** Operational control of the Library remains under jurisdiction of the Library Board; however, presented based on their plan to reopen as presently known and available to do so.***

Index	Service	Before	After	Staffing Adjustments	Safety Needs	Forward Dane Phase to return to Before Condition (Sector/Phase)	Cost Implications
1	Building Reopen	Building has set hours in which it may be accessed by the Public for general use, programs, materials, computers, etc.	Building remains closed for access to the public.	Staff is not able to provide services unless presently authorized by current orders and recommendations which remains a combination of those working at the facility as allowed/needed or working remotely.	The main safety needs for reopening the facility is tied to the provision of services listed below. Each has different challenges and nuances to complete because of requirements for social distancing, recommendations for cleaning, space availability, and quarantining of materials.	Community Centers Phase 4	There are several cost implications tied to reopening the building, of which these are listed below within the various services listed.
2	Material Checkout - Curbside	Patrons could check materials out in person using the self-check machine or asking for Staff assistance.	Initially the facility was closed with no checkouts. This evolved to Patrons being able to place holds on materials and schedule for curbside pickup.	Initially without the ability to operate within the closed facility, all Staff were affected to some extent. With curbside pickup this has allowed 4 to 5 Staff and 1 Shelver to be able to provide for this service at the present.	Materials have to be quarantined for 3 days prior to being reissued according to CDC requirements. This takes up space as the materials have to be isolated when returned and cannot be further accessed by Staff or the Public. Space is limited within the facility between where the materials are typically stored (same place as Public would be) and space that can be used strictly for isolation.	Community Centers Phase 1	Staff are supplied with and required to wear appropriate PPE, conduct cleaning, and use property quarantine techniques when providing this service.
3	Material Checkout - Express	Patrons could check materials out in person using the self-check machine or asking for Staff assistance.	Patrons will be able to access the Lobby and Meeting Room for browsing of materials, checkout, and a few other low contact services.	Staff is attempting to isolate this service outside of the main building for the safety concerns identified in the previous item. With the help of acquired technology and other organization, an express Library can be offered to at least provide some expanded access beyond curbside.	Expanding curbside to “Express Library” that will be available to individuals within the Lobby through a small selection and self-check out only. Curbside will remain available and hour adjustments will be applied to both services.	Community Centers Phase 2	The Library has acquired 4 new self check outs at an expense of \$27,000 to facilitate contactless checkout. A new book drop that will be contained within the lobby for \$4,000, and a plexiglass shield at \$750. Looking at additional technology to add a facility counter to monitor capacity.
4	Youth Services	Youth programs were held 5 days a week in person at the Library.	Youth programs are held 3 days per week virtually through Facebook live.	All programs are conducted by the Children’s Librarian both in person before and now virtually.	Continuing programs virtually in the future as orders allow, presently all in person programs are cancelled at least through the end of the year. Using app provided by the State for various additional programs (no cost).	Community Centers Phase 4	No additional costs forecasted at this time.
5	Teen Services	Teen programs were held weekly in person at the Library.	Teen programs are held virtually on Facebook live or through Zoom.	All programs are conducted by the Teen Librarian both in person before and now virtually.	Continuing programs virtually in the future as orders allow, presently all in person programs are cancelled at least through the end of the year. Using app provided by the State for various additional programs (no cost).	Community Centers Phase 4	No additional costs forecasted at this time.
6	Adult Services	Adult programs were held in person multiple times per week.	Adult programs are held many times per week	All programs are conducted by the Adult Librarian both in person before and now virtually.	Continuing programs virtually in the future as orders allow, presently all in person programs are cancelled at least through the end of the	Community Centers Phase 4	No additional costs forecasted at this time.

			using different social media platforms.		year. Using app provided by the State for various additional programs (no cost).		
7	Material Cataloging	Materials are entered into the system as they are checked out and checked back in for use by Patrons.	Initially with the facility closed entirely, there was not an ability to conduct cataloguing (also nothing was being check in/out).	This resumed again near the end of April into the beginning of May and is overseen by the Technical Services Supervisor. Currently operating as it normally would based upon Patrons' use of curbside checkout.	See Item #2 and #3.	See Item #2 and #3.	See Item #2 and #3.
8	Computer Services - Hardware	Patrons are able to use 12 different desktop computers for access to the internet and various computer programs.	Building remains closed for access to the public.	These services depend on Patrons and Library Staff being able to interact in person which is prohibited from being completed. Staff remains engaged in other areas as noted in the plan and as available.	Some desktops will be taken out of service to allow for social distancing. Individuals wishing to use a computer may make an appointment to do so and they will be allowed to access the Library under escort for this purpose.	Community Centers Phase 2	Evaluating self-service printing station or app for printing for those that need it when they use a computer as part of their appointment, otherwise no other costs forecasted.
9	Computer Services - Instruction	Library Staff would provide one on one assistance upon request for instruction on devices such as laptops, phones, e-readers, etc.	Building remains closed for access to the public.	These services depend on Patrons and Library Staff being able to interact in person which is prohibited from being completed. Staff remains engaged in other areas as noted in the plan and as available.	Main issue is avoiding in person contact as well as having the workspace available to do so. Alternatively, creating instructional videos, working with people on the phone, or virtually if possible.	Community Centers Phase 4	Some hardware costs to allow for video creation, \$500.
10	Copying	Patrons are able to use a self serve copy machine for their personal use as needed.	Building remains closed for access to the public.	This item is dependent on the building being open and less reliant on Staff as it's a self-service option.	Problem is the in person contact and contact with the device, paper, money, etc. This service does get opened a lot under normal conditions, looking at alternatives to provide it.	Community Centers Phase 2	See cost implications under Item #7.
11	Large Events and Room Reservations	Rooms (large and small) could be rented by the public for events, gatherings, and other related purposes up to 50+ people.	Building remains closed for access to the public.	This item is dependent on the building being open as well as gathering limitations and less reliant on Staff as it's dependent on the event that's proposed to be held.	Problem is space availability because of other services and in person contact limited.	Community Centers Phase 4	No additional costs forecasted.
12	Community Outreach	Library Staff would visit places in person (i.e. Skaalen, McFarland Villas, etc.) to assist their residents in checking out materials.	Building remains closed for access to the public, and these facilities are now inaccessible for general public access for this type of program because their residents are mainly within high risk categories.	This item is dependent on the building being open as well as restrictions in place at the facilities in which Staff would visit.	There are two factors controlling this service. One is that the Library as a whole is trying to limit contact as a whole, and two we cannot control when these facilities might let people like Library Staff back into their facilities due to the vulnerable populations they serve.	Community Centers Phase 4	No additional costs forecasted.
13	Notary Services	Library Staff is able to provide notary services to Patrons which is required to be in person.	Building remains closed for access to the public.	These services depend on Patrons and Library Staff being able to interact in person which is prohibited from being completed. Staff remains engaged in other areas as noted in the plan and as available.	This is typically required to be completed in person, although some flexibility has been granted recently by the State to help keep these moving. This is a voluntary service (not required by Library's to provide), so just takes time training on the new virtual requirements.	Community Centers Phase 3	No additional costs forecasted.

Reopening Plan

Section G

Municipal Court

Summary

Municipal Court is providing all of the services it would normally provide with exception for those that require in-person contact. The main challenge has been adjusting the court room process and procedures to align with mandated safety requirements designed specifically for courts. We are working on making those adjustments and have identified a few items of note that will assist in moving the Department closer to transitioning back to in person court services. Most of these operations should follow progressive schedules set by other Departments within the Municipal Center.

General Outlook

The general outlook for Municipal Court looks GOOD as it has demonstrated an ability to adjust how it provides services to ensure their continuity even during closure. The ability to return to normal operations is present absent the ability to serve people in-person, but with some safety precautions could be reinstated sooner within the plan. Staff continues to find alternative ways to serve the public while remaining closed which has advanced essential and non-essential functions of the Department.

G. Municipal Court

Index	Service	Before	After	Staffing Adjustments	Safety Needs	Forward Dane Phase to return to Before Condition (Sector/Phase)	Cost Implications
1	General Customer Service Inquiries for the Court	Available in-person, US Mail, fax, telephone, and email.	No in-person service, all other forms available.	Court clerk works remotely and at the Court office on limited basis.	Face mask, hand sanitizer, disinfectant wipes and gloves.	Office Space Phase 2	No Additional Cost.
2	Processing citation payments and other accounts receivable	Offered in-person, by US Mail, and online payment. Additionally, the Police Department receipted in-person payments for Court.	No in-person payments. Payments collected only through US Mail or online.	Court has adjusted to only collecting payments through the US Mail or online.	Consider adding a new drop box external to the building. Also, Village presently incurring cost of online fees.	Office Space Phase 2	Additional drop box will cost approximately \$1,000-\$3,000 and would be installed within the Municipal Center Parking Lot to allow for drive thru service. Village has incurred the cost of online fees.
3	In-person Court Appearances, pretrial conferences and trials.	Available in-person Court appearances, pretrial conferences and court trials at the Village Hall. Truancy Court held at the High School during school year.	No in-person appearances. Truancy Court citations put on hold until Fall. Defendant pleas obtained by mail or zoom. Pretrial conference by phone or email. Trials by zoom.	Readjusting Court schedules and practices. Additional staff maybe need to help check in defendants with safety procedures, once in-person court is re-established. Court Clerk is sending out additional notices and mail-in plea sheets to defendants.	Signage, plexiglass screen, face mask, hand sanitizer, disinfectant wipes, pens, forehead thermometer	All Sectors Phase 2	Cost to be evaluated and determined as part of planning process for safety equipment. Additional office supplies and postage for extra mailings.
4	Deposits	Completed several times a week.	Completed on a weekly basis.	None	None.	All Sectors All Phases	None.

Reopening Plan

Section H

Public Works

Summary

Public Works has been able to continue to provide its essential services and advance many of the other common duties it performs. Some of the main things like water, sewer, garbage/recycling collection, etc. have continued unimpeded by the orders. Part of that reason is that the Department has been operating in platoon shifts. This helps to keep half the Department isolated at home while the other half is working, then they rotate after each week. Main challenge for the Department is Staff being able to work in groups of 2 or more. A lot of tasks require assistance between members and with limited overall numbers combined with the desire to avoid close contact it makes it difficult to accomplish some thing. Its likely though within Phase 2 that Staff can return to a normal shift with some adjustments to schedules and operations allowing most everything to resume as it did before with safety measures in place. Parks has more specific requirements attached to it based on the different types of amenities. Staff will continue to watch the evolution of these requirements and adjust as we go to free up things if allowed.

General Outlook

The outlook here for the Department is GOOD as they have been able to complete the tasks in front of them while continuing to provide for essential services. Next challenge will be to resume normal operations within a safe condition for Staff and the public at large. Operations continue though and we will be able to meet demand under the current model for at least the foreseeable future.

H. Public Works

i. Public Works (Utilities & Solid Waste)

Index	Service	Before	After	Staffing Adjustments	Safety Needs	Forward Dane Phase to return to Before Condition (Sector/Phase)	Cost Implications
1	Platoon Shifts	All Employees report to work for their shift from 7:00 am to 3:30 pm Monday through Friday. One individual is on call rotating weekly.	Half of the Employees report to work for their shift while the other half remain home, then rotate the next week. One individual is on call rotating weekly.	In order to ensure the continuity of essential services (water, sewer, etc.), Staff were split into platoons and assigned different schedules in which one week they would be present and working while the other half would be home. Then they would rotate. This was to limit their exposure to each other, provide for safe distancing in the work place, limit cross contamination, and make sure that we could continue to provide essential services based upon the severity of the outbreak.	Dept will be undergoing a renovation of their facility this Summer. The nature of the work for a majority of the Staff in this Dept is outside of the facility. Those that remain in the Facility will be able to take property steps to ensure their safety. When Staff congregate together, the Dept will need to adjust how they begin their day, take breaks, take lunch, end their day, hold Staff meetings, etc. to ensure they follow safe social distancing when the workforce returns to normal. Their safe return then will allow them to chip away at the items that have otherwise been deferred thus far.	Essential Infrastructure Businesses Phase 2	No additional costs are forecasted other than the availability of time. Staff is provided needed PPE from existing supplies and cleaning materials. They will need to ensure that they take the time to clean trucks, tools, equipment, etc. after each use that will be needed but add to their protocols when being assigned certain tasks.
2	Water Meter Repairs/Change Outs	Staff responds in person to the home or business in order to address the service issue.	All in person response to home or business has been suspended to address the service issue unless in an emergency situation.	Staff response for water meters is focused on emergency service calls that require entry into a private premise.	Staff are outfitted with appropriate PPE when responding to service calls and will continue to utilize going forward when entering a private premise.	Essential Infrastructure Businesses Phase 2	No additional costs forecasted, Staff will need to address backload of service requests but does not anticipate contracting this work out.
3	Tree Trimming & Chipping	Typically completed by a minimum of 2 Dept Staff members in order to trim trees, conduct chipping within the Public right of way or on publicly owned property.	All tree trimming and chipping has been put on hold except to address emergency situations and if a single person can complete the task safely.	Adjustments to Staffing have deferred most of these tasks for the time being as they are needed for other day to day tasks. Not a terribly critical task at this point in the year and likely other times throughout the year to address this.	Main issue is the need for multiple people to be working together in close proximity as well as availability of staff. When it resumes, key will be using PPE when in close proximity and applying various cleaning methods to equipment, vehicles, and tools used.	Essential Infrastructure Businesses Phase 2	No additional contracted service is recommended at this time.
4	Yard Waste Site	Contracted service to provide limited curbside and management of the drop site.	Initially adjusted to exclusively curbside service in April and opened the drop site in May.	This is mainly a contracted service with the Village providing day to day oversight of the drop site and the contractor responsible for hauling material away.	In April, this service was offered exclusively curb side while the drop site remained closed. As orders and guidelines changed in the month, the facility was opened for normal operations near the beginning of May with social distancing requirements. Curbside collection has not ceased and operations here are normal.	All Sectors All Phases	There are no additional costs forecasted other than what the Village is already committed to in its contract. The costs associated with the expanded pickup are estimated at \$25,000.

5	Storm Sewer Repair	Typically completed by a minimum of 2 Dept Staff members to repair damaged storm sewer pipes.	All storm sewer pipe repairs are on hold except within emergency situations.	This type of work almost always requires some sort of excavation and to follow appropriate trenching and digging methods, it requires multiple people to complete safely. Proximity of Staff in this service as well as their availability are a concern at the present.	Main issue is the need for multiple people to be working together in close proximity as well as availability of staff. When it resumes, key will be using PPE when in close proximity and applying various cleaning methods to equipment, vehicles, and tools used.	Essential Infrastructure Businesses Phase 2	No additional contracted service is recommended at this time.
6	Painting Crosswalks	Typically completed by a minimum of 2 Dept Staff members to paint crosswalks.	Have not needed to paint as of yet, this work is usually completed later in the Summer to align with School reopening for the Fall.	Staff has not been assigned this work as its not usually completed until later in the Summer.	Main issue is the need for multiple people to be working together in close proximity as well as availability of staff. When it resumes, key will be using PPE when in close proximity and applying various cleaning methods to equipment, vehicles, and tools used.	Essential Infrastructure Businesses Phase 3	No additional contracted service is recommended at this time.
7	Raise Curb Stops	One to two Dept Staff are typically assigned to raise curb stops as needed.	Focusing on those areas where one employee can be assigned this task or otherwise if emergency conditions dictate otherwise.	This work has continued whereby one individual can complete the assignment. Those tasks requiring two individuals have been deferred at the present.	Main issue is the need for multiple people to be working together in close proximity as well as availability of staff. When it resumes, key will be using PPE when in close proximity and applying various cleaning methods to equipment, vehicles, and tools used.	Essential Infrastructure Businesses Phase 2	No additional costs forecasted at this time.
8	Confined Space Entry	This task requires a minimum of 3 individuals to work within a confined space (i.e. – manhole, lift station, etc.).	Presently not conducting work in a confined space unless in an emergency or as needed.	Not a service that is performed with any great frequency but given the high demand for staffing needs to do it, most of this work is deferred until it is needed or there is an emergency.	Main issue is the need for multiple people to be working together in close proximity as well as availability of staff. When it resumes, key will be using PPE when in close proximity and applying various cleaning methods to equipment, vehicles, and tools used.	Essential Infrastructure Businesses Phase 2	No additional costs forecasted at this time.
9	Hydrant Flushing	Typically a 2-3 person task to flush or exercise the hydrants in the Village to ensure they will be operational in an emergency.	Task continues but workers are working individually and staggered so as not to work on the same hydrant each time.	This work has continued from week to week with workers staggered to complete the task as needed.	This is an individual task and Staff follow cleaning protocols as directed when the task is complete.	All Sectors All Phases	No additional costs forecasted at this time.
10	Traffic Sign Installation	One to two Dept Staff are typically assigned to install or replace traffic signs depending on the size and scope of the install.	Focusing on those areas where one employee can be assigned this task or otherwise if emergency conditions dictate otherwise.	This work has continued whereby one individual can complete the assignment. Those tasks requiring two individuals have been deferred at the present.	Main issue is the need for multiple people to be working together in close proximity as well as availability of staff. When it resumes, key will be using PPE when in close proximity and applying various cleaning methods to equipment, vehicles, and tools used.	Essential Infrastructure Businesses Phase 2	No additional costs forecasted at this time.
11	Banners/Flags	3-4 Staff will assist in the installation of banners and flags at various points in the Summer.	Presently deferred and not being completed.	The assignment presently would require an entire platoon shift to complete given the nature of the work being elevated and some cases requiring traffic control. On hold at the present until more Staff becomes available.	Main issue is the need for multiple people to be working together in close proximity as well as availability of staff. When it resumes, key will be using PPE when in close proximity and applying various cleaning methods to equipment, vehicles, and tools used.	Essential Infrastructure Businesses Phase 2	No additional costs forecasted at this time.

12	Diggers Hotline Tickets	Assigned to one or multiple Staff depending on volume to locate underground Village facilities.	Assigned to one or multiple Staff to complete on an individual basis.	Continues to be performed as required, we are under Statutory deadlines to mark our facilities or risk liability issues if things are struck that are not marked. Staff has been completing this as we normally do but on an individual basis.	This is an individual task and Staff follow cleaning protocols as directed when the task is complete.	All Sectors All Phases	No additional costs forecasted at this time.
13	Street Repair/Maintenance	Assigned to one or multiple Staff depending on volume and size of repairs.	All large repairs are on hold and being monitored, potholes are being filled as needed.	Work here has generally continued for available Staff.	Main issue is the need for multiple people to be working together in close proximity as well as availability of staff. When it resumes, key will be using PPE when in close proximity and applying various cleaning methods to equipment, vehicles, and tools used.	Essential Infrastructure Businesses Phase 2	No additional costs forecasted at this time.
14	Garbage and Recycling Collection	Contracted weekly collection of garbage and recycling.	Contracted weekly collection of garbage and recycling.	This is a contracted service that has largely remained unchanged throughout the duration of the event and does not appear will change into the foreseeable future. New cans are assigned to one individual for delivery as needed.	None.	All Sectors All Phases	No additional costs forecasted at this time.
15	Water Service	Daily reviews and testing of our water system to ensure safe functionality.	Daily reviews and testing of our water system to ensure safe functionality.	Continues to be monitored daily as it normally would through assigned Staff for the week and via the on call rotation.	This is an individual task and Staff follow cleaning protocols as directed when the task is complete.	All Sectors All Phases	No additional costs forecasted at this time.
16	Sewer Service	Daily reviews and testing of our water system to ensure safe functionality.	Daily reviews and testing of our water system to ensure safe functionality.	Continues to be monitored daily as it normally would through assigned Staff for the week and via the on call rotation.	This is an individual task and Staff follow cleaning protocols as directed when the task is complete.	All Sectors All Phases	No additional costs forecasted at this time.
17	Facility Maintenance	Staff members participate in building maintenance projects (i.e. – painting, repair, fixtures, etc.) as available.	Staff members continue to participate in this task as available but in a limited fashion.	Service by the Department continues and facility needs are being met as needed with some smaller items deferred based on availability of Staff.	This is typically an individual task and Staff follow cleaning protocols as directed when the task is complete.	All Sectors All Phases	No additional costs forecasted at this time.
18	Tree Planting	Typically completed by a contractor with Village Staff apply mulch around the base and conducting watering activities.	All tree planting deferred until the Fall.	Staff has not been assigned this task yet and Fall planting will work as well as Spring planting when likely more Staff are present.	Main issue is the need for multiple people to be working together, sometimes in close proximity as well as availability of Staff. When full Staffing resumes, key will be using PPE when in close proximity to complete the task.	Essential Infrastructure Businesses Phase 2	No additional costs forecasted at this time.

ii. Parks

Index	Service	Before	After	Staffing Adjustments	Safety Needs	Forward Dane Phase to return to Before Condition (Sector/Phase)	Cost Implications
1	Park Shelters (Enclosed)	Clean as needed and available for rental by the general public.	Closed presently for all rental use.	Combination of effort between Admin and PW on rescheduling current reservations to later in the Summer and not taking new reservations until its clearer when facilities can safely reopen.	Similar to other types of public facilities, there are substantial cleaning requirements that have to be met. This will require additional Staff time to accomplish. Furthermore, current facilities that are enclosed for rentals make it problematic likely to maintain requirements on gatherings and distance. Likely these shelters could be opened again under Phase 2 and Staff could resume taking reservations again for these facilities on or around July 1 st but will need to continue to be monitored.	Indoor Mass Gatherings in Public Venues & Outdoor Recreational Rentals Phase 2	There will be lost revenue from the inability to rent our enclosed shelters. This is estimated at \$5,500 for the months of April, May, and June. Additional costs will be incurred in the future as they relate to cleaning responsibilities.
2	Park Shelters (Non-Enclosed)	Clean as needed and available for rental by the general public (where applicable) or on a first come first serve basis.	Closed for all uses and presently not taking rental requests at this time.	Other than McDaniel Park, these are not typically reserved and can be made available for use to people on a first come first serve basis.	Staff will need to monitor their use and maintain appropriate cleaning as well as regulate volume of usage based on numbers guidance.	Outdoor Mass Gatherings in Public Venues Phase 1	No additional costs forecasted. Staff will use existing supplies for cleaning as needed.
3	Park Bathrooms	Clean daily and available for public use from 7 am to 7 pm generally.	Closed for all public use including all drinking fountains.	Opening the bathrooms would require either a dedicated employee to clean restrooms all day or a dedicated service to do the same.	Cleaning requirements for open public restrooms are substantial, alternatively we have provided portable restrooms that do not carry the same requirements. Cleaning of these facilities is covered under the service fee for the use of portable restroom. Staff will need to monitor requirements for public restrooms as part of the phasing plan and requirements of orders from the Health Department.	Indoor Mass Gatherings in Public Venues Phase 3	Additional portable restrooms provided cost \$180 per month for their use.
4	Park Maintenance	Mowing, trimming, and other items performed weekly. Projects addressed on a case by case basis.	Resumed normal operations for maintenance in May, deferring some small projects until there is availability of Staff to do so.	Seasonal hiring's for the year were delayed until around May 1 st , they began to conduct their normal routine for mowing and trimming at that time. Typically that will begin in April but was delayed. Full-time staff is available to assist and address projects as available but presently part of the platoon system. All positions are presently filled.	Most of these tasks can be done on an individual basis and if need be, distancing or PPE can be used when more than 1 individual is needed. Work on basic maintenance needs can continue being mindful of these standards while other small projects will need to be addressed on a case by case basis.	All Sectors All Phases	No additional costs forecasted.
5	Burning of Village Properties	4 or more Staff members work to burn public lands within the Village mainly within the park system as a maintenance activity.	Was not and has not been completed to date.	Village Staff would typically conduct this activity under the direction of the Fire Department; however, burning permits were suspended previously and not reinstated until recently.	See Section E(11) for this item.	See Section E(11) for this item.	See Section E(11) for this item.

6	Playgrounds	Playgrounds are open to the public for safe use at their discretion.	All playgrounds have been closed to the public for use.	Playgrounds are used by the public as desired and does not have an impact on Staffing (normally). Have to monitor plan requirements for their use going forward.	We will need to monitor likely cleaning requirements in future orders but presently these are prohibited from opening until Phase 2 of the Forward Dane plan.	Outdoor Playgrounds Phase 2	Staff will continue to monitor costs to reopen playgrounds if any at all are applicable.
7	Athletic Fields	Available to the public and leagues as needed for the designed activity.	All athletic fields including basketball courts but not including the skate park have been closed to the public for use.	Athletics are used by the public and leagues as desired and does not have an impact on Staffing other than what our maintenance needs might be. Have to monitor plan requirements for their use going forward.	We will need to monitor future requirements for these fields going forward. Currently allowed in Phase 1 but only with household members making this difficult to enforce and/or police. Phase 2 is listed as “to be determined” so for the time being they remain closed until at least Phase 2 and/or new orders on this item.	High Risk Recreational Activities Phase 2	Staff will continue to monitor costs to reopen athletic fields if at applicable.
8	Paths and Trails	Open and accessible to the public.	Open and accessible to the public.	Operating at normal levels for our paths and trails as they exist, there is typically low oversight to these amenities as people use them at their leisure.	None.	All Sectors All Phases	No additional costs forecasted at this time.
9	Dog Park	Open to the public (both resident and non-resident) by permit or via single use payment.	Open to the public (both resident and non-resident) by permit or via single use payment.	Staff has conducted some additional maintenance at the dog park as it remains well used and conducts additional cleaning of touch points. Signs have been posted but has remained accessible for the duration.	This is an individual task and Staff follow cleaning protocols as directed when the task is complete.	All Sectors All Phases	No additional costs forecasted at this time.
10	Jaeger and McDaniel Park Canoe/Kayak Launch	This park has a launch onto the Lower Yahara River that allows for canoe and kayak access. The launch is available to public as needed.	The launch has remained open as access to the water has been allowed by the DNR follow social distancing guidelines.	Operating at normal levels for this amenity as the public uses the launch at their leisure.	None.	All Sectors All Phases	No additional costs forecasted at this time.

Reopening Plan

Section I

Police Department

Summary

The Department is generally providing all the services it would normally provide, with the following exceptions. Traffic enforcement is currently limited mainly to roadway safety violations such as speeding, reckless driving behavior, OMVWI, etc. Low-level calls for service are handled by phone, and without person-to-person contact whenever possible. Officers likely will respond, but not engage in medical calls unless necessary, such as with a combative patient. In-person community events have been suspended. Community outreach programming, such as Are You OK? and COAT have been modified to be conducted in manner that excludes personal contact. In an effort to remain engaged with the community, new outreach programming has been implemented, such as an online Coffee With a Cop event, online storybook readings, and an online bedtime story program. The administrative office remains closed, thus in-person services such as fingerprinting and in-person bill payment have been suspended. However, alternative means have been identified to meet the community's needs in these areas. As we advance through the phases of Forward Dane, these service adjustments will begin to revert back to normal.

The department continues to operate under a split-platoon schedule, intended to promote isolation and distancing between staff, and the continued ability to comply with CDC guidelines while delivering quality policing services to the community. The department will continue in that manner until Phase 2 of the Forward Dane Plan is in effect, and then further evaluation will occur to determine the appropriate time to revert to normal scheduling. Due to the enormity of the task of transitioning 19 individuals back and forth between the revised and normal rotations (and all of the related scheduling considerations such as canceling/reinstating time off requests, training plans and other schedule related items) note that the transition to normal staffing will not occur on day one of Phase 2, rather likely at an appropriate point within Phase 2. The criteria utilized in conducting this evaluation will include the metrics observed by Public Health and the

prospect of stability in maintaining those metrics within Phase 2 and advancing to Phase 3. The department is generally doing well and is attempting to honor employee time-off requests when it can. Supervisors are making increased efforts to monitor employee wellbeing and mental health and management is using online communication platforms to remain in contact with staff whom they no longer see due to the split schedule. Supervisors are also attempting to implement more team building activities, such as an occasional short, on-shift cookout or purchasing a meal for on-duty staff.

General Outlook

The general outlook for the Department is GOOD, as it has demonstrated an ability to adjust how it provides services to ensure quality police services even during closure. Their ability to return to normal operations continues to grow nearer and will continue to do so as we advance through the phases of Forward Dane.

I. Police

Index	Service	Before	After	Staffing Adjustments	Safety Needs	Forward Dane Phase to return to Before Condition (Sector/Phase)	Cost Implications
1	Platoon Shifts	All Employees report to work for their 8 hour work shift. Shifts then vary from morning to midday to night with service provided 24-7-365.	Half of the Employees report to work for their assigned 8 hour shift, while the other half remain home. This extends for a period of 6 days on followed by 6 days off rotating half the Dept between working and home. Very similar to an Officers normal 6 on 3 off shift but applies to everyone in a 6 on 6 off fashion.	In order to ensure the continuity of essential police services, Staff were split into platoons and assigned different schedules in which one group works for 6 days while the other half would be home. Then they would rotate. This was to limit their exposure to each other, provide for safe distancing in the work place, limit cross contamination, and make sure that we could continue to provide essential services based upon the severity of the outbreak.	The nature of the work for most in this Dept is outside of the facility. Those that remain in the Facility will need to take proper steps to ensure their safety as they have been doing since this began. When Staff congregate together, the Dept will need to adjust how they begin their day, take breaks, take lunch, end their day, hold Staff meetings, etc. to ensure they follow safe social distancing when the workforce returns to normal schedules. Their safe return then will allow them to ease back into the things that have not been at the forefront since the outbreak began.	Essential Infrastructure Businesses Phase 2	No additional costs are forecasted. Staff is provided needed PPE from existing supplies and cleaning materials. They will need to ensure that they take the time to clean vehicles, tools, equipment, etc. after each use. They have all already been doing these things thus far and would extend those activities towards when normal schedules return.
2	Traffic Enforcement	Full on in person enforcement of all traffic statutes, including equipment violations.	Initially at the outset, critical contacts only for traffic enforcement. Expanded in May to some extend but still limited.	Coverage and our ability to police the roads for traffic violations remains the same, critical element here is limiting exposure for the Staff which traffic enforcement naturally requires to some extent. Current directive for enforcement is for those offenses that are dangerous, reckless, and/or egregious and defer to warnings for low level moving violations.	Staff are outfitted with appropriate PPE when responding to traffic enforcement calls and will continue to utilize going forward. Also using alternative methods of contact after the offense and maintaining distancing. Safety concern here is balancing contact/exposure with necessity of enforcement.	Essential Infrastructure Businesses Phase 2	No additional costs forecasted.
3	Criminal Investigation	Full on investigative activities by all means legally permissible.	Critical investigations are prioritized with some lower level investigations limited to alternate investigative techniques. Search warrant execution for critical investigations only.	All crimes are investigated to the extent we are able to but as they are reported they are prioritized in a different manner to limit in person contact. Staff has to adjust to using alternative methods of no contact in order to conduct their investigations and when in person is necessary or critical will use PPE. Depending on the nature or severity, some low level investigations may be delayed or deferred as a result.	Staff are outfitted with appropriate PPE when responding to traffic enforcement calls and will continue to utilize going forward. Also using alternative methods of contact after the offense and maintaining distancing. Safety concern here is balancing contact/exposure with necessity of enforcement.	Essential Infrastructure Businesses Phase 2	No additional costs forecasted.
4	Support Services	Public Access to the Dept via front window is available from 8 am to 6 pm on Monday through Friday.	Admin office is staffed but not open for public access due to building closure.	Admin Staff rotate with the officers so one individual is present within each platoon. They focus on fulfilling administrative dept needs virtually, through email, US Mail, phone, etc. to avoid in person contact. Able to do most everything they normally would but for those items that require in person contact.	Dept is already a secure facility and Public access is limited through an existing window. PPE is available for Admin Staff as needed and they monitor social distancing while in the Office. In person public access to the Dept is tied to building opening for the Municipal Center as well.	Essential Infrastructure Businesses Phase 2	No additional costs forecasted.

5	Community Outreach	Several programs are organized for general interaction in person with the public.	All in person programs suspended.	Staff has been able to transition existing programs and create new programs in a virtual platform. Moving things like “Coffee with a Cop” to a virtual setting or creating a new story time program in a virtual setting as well.	Main safety consideration is avoiding unessential in person contact. Community Outreach is important but have to limit in person contact for the Dept and public. Staff are continuing to manage their programs and come up with new ways to reach people.	Essential Infrastructure Businesses Phase 4	No additional costs forecasted, main issue is figuring out when appropriate to resume in person contacts within this program.
6	Emergency Call Response	Full response to all emergency calls for service including non-police services (i.e. – EMS calls).	Dept continues full response to all emergency police calls for service; however, has significantly scaled back response to EMS calls.	Police would and are still dispatched for all emergency calls for service and in order to avoid exposure began responding to EMS calls only on a limited basis. All other police calls for things like domestic disturbances, fights in progress, motor vehicle accidents, etc. are responded to as normal.	Staff are outfitted with appropriate PPE when responding to emergency calls and will continue to utilize going forward. Also using alternative methods of contact after the offense and maintaining distancing. Safety concern here is balancing contact/exposure with necessity of enforcement.	Essential Infrastructure Businesses Phase 3	No additional costs forecasted, main issue is figuring out when appropriate to resume responding to all emergency calls for service.
7	Routine Calls for Service	Respond to all calls for service that are non-emergency in nature via in person, email, phone, etc.	Most services for routine calls are still administered except for those things that require in person contact.	Staff continues to work on alternative methods to address non-emergency routine calls for service. Focusing on addressing issues over the phone, via email, virtually, etc. as much as possible. Services such as motor vehicle lockouts offered only when safety of person is in jeopardy.	Main safety consideration is avoiding unessential in person contact. These calls are important to Staff but have to limit in person contact for the Dept and public. Staff are continuing to address these by any means necessary while avoiding in person methods.	Essential Infrastructure Businesses Phase 3	No additional costs forecasted, main issue is figuring out when appropriate to resume in person response to non-emergency calls for service.
8	Specialized Units	All specialized units functioning without restriction (i.e. K9 Unit, Bike Patrol, UTV Patrol, UAV Unit, SET Team, CareTrak)	All units remain fully functional and deployed if needed.	Staffing is available to allow specialized units to function. Training is key to maintaining good specialized units and this has been less available in the current condition as of late otherwise they are operational.	Staff are outfitted with appropriate PPE when they need to respond and maintaining distancing. K9 Unit public demonstrations and Bike Patrol most affected.	All Sectors All Phases	No additional costs forecasted.
9	Training Unit	Full complement of training offered as available, scheduled, and needed.	Online training only.	Current level of trainings (including offerings) are greatly reduced. Most Dept has had to be cancelled to limit in person contact and most vendors have cancelled their offerings for the time being. State has provided extension on training requirements in the interim.	Main safety consideration is attending online trainings when they are available and relevant. Will need to consider appropriate time to resume in person training.	Essential Infrastructure Businesses Phase 4	Meetings and Training budget for 2020 was approved at \$21,250 but likely it will fall less than this with fewer offerings. Will continue to monitor what is available and can be safely utilized.

Reopening Plan

Section J

Senior Outreach

Summary

The biggest effort here by the Department has been by far maintaining some resemblance of the nutrition program through home delivered meals. We used to provide in person meals at the Municipal Center plus Meals on Wheels for those that were eligible, but with the meal site closed everyone is essentially receiving at least 5 meals per week that is delivered to their home. This is a very large effort and each day we have delivery it requires 1 or 2 Staff to oversee plus several Volunteers to complete. Like many things its hard to determine when in person services are safe to resume, but that's especially important and critical for this Department based on our work with a very vulnerable population. Case management is likely to resume in some fashion for in person contact within Phase 2 but nearly all social programs, in person meals, classes, clinics, etc. are not expected until Phase 3 for some and Phase 4 for others. Again the balance is the necessity of the service to be provided against the risk of exposure to the individual that receives that service and this plan prioritizes how those services are provided over time. The timelines established are based on the Forward Dane Plan and what is recommended by the Area Agency on Aging which also aligned with the same plan.

General Outlook

The outlook for the Department is generally FAIR as it works to focus on its priorities to feed the senior population where its needed and stay in contact with them to the extent they can for other things. Thus far the meal program through deliveries has been functional and adequate to meet the needs. As we advance through the plan when authorized it will continue to be a balancing act to take on new services and tasks against what's required to provide meals, this will be the greatest challenge. As such it likely renders things difficult to bring certain aspects of the services provided back in a timely fashion.

J. Senior Outreach

Index	Service	Before	After	Staffing Adjustments	Safety Needs	Forward Dane Phase to return to Before Condition (Sector/Phase)	Cost Implications
1	Case Management and Outreach	Staff would conduct in person home visits, meet in person within their offices, and take phone calls, emails for services.	Only able to provide service via phone calls, emails as well as pickup and drop off of items as appropriate.	All Staff are providing for these services as schedules allow but through the telephone. Some minimal in person contact has taken place but only for individuals who were high risk contacts or situations where it was absolutely necessary. This would have included contacts with first responders as well.	The main safety need for this service to resume more frequent in person contacts is having appropriate PPE and cleaning supplies. This will have to be applied for all in person and office visits when they resume. Additionally, all in office visits should be isolated in a single room like a Conference Room rather than within the office.	Essential Infrastructure Businesses Phase 2	Only cost is to purchase supplies noted, which are currently plentifully available.
2	Nutrition – In Person Meal Site (McFarland)	Interested and eligible residents may attend the meal site within the Community Room in person for meals on Monday, Wednesday, and Friday.	All meals are now home delivered.	All Staff are focusing on home delivered meals since the outset of the pandemic. Nutrition Manager conducts monthly reporting from home.	In order to resume this service, spacing will be key for the meal site. This has always not had a high degree of turnout before and the room should be able to accommodate separation. Also need to consider staggered meal times and disposable plates/utensils.	Essential Infrastructure Businesses Phase 3	Disposable plates and utensils will be the main expense but also could be covered by the County.
3	Nutrition – In Person Meal Site (Cambridge)	Interested and eligible residents may attend the meal site in person for meals on Tuesday and Friday.	All meals are now provided via drive-up service at the curbside.	Similar to the previous item where in this case the Nutrition Coordinator provides this service. Curbside supplies are slightly different than delivery as they require carry out containers.	In order to resume this service, spacing will be key for the meal site. This has always not had a high degree of turnout before and the room should be able to accommodate separation. Also need to consider staggered meal times and disposable plates/utensils.	Essential Infrastructure Businesses Phase 3	Disposable plates and utensils will be the main expense but also could be covered by the County.
4	Nutrition – Home Delivered Meals (McFarland)	Available to those seniors that are eligible on Monday through Friday.	All meals are provided only through home delivery, double meals provided on Tuesday and Thursdays with a single meal delivery on Friday.	All Staff perform kitchen duties overseeing this service. Additional volunteers utilized as well. Larger effort than before since eligibility requirements for seniors removed and basically they all qualify to an extent. Nutrition Manager is working remotely to complete the monthly paperwork, reporting. All volunteers not able to work have remained home.	All eligibility standards were relaxed so that every Senior that needs a meal 5 days per week could receive one. Increased sanitation requirements and cleaning frequency as part of deliveries. Additional volunteers and contracted deliveries. Relaxed qualifications are slowing being reversed and eligibility being reestablished, by July there may be a 10% reduction in numbers as a result of this while meal delivery goes to 5 days per week.	All Sectors All Phases	County is picking up the additional meal and contracted delivery costs through Federal funds. Only additional costs locally are absorbing those to purchase PPE and cleaning supplies similar to what's needed for other services.
5	Exercise Classes	These would operate in person within the Community Room 5 days each week and multiple times per day.	Building was closed to public entirely.	Main complication is the dual purpose the Community Room holds for the Department to also provide meals. Exercise is important, but meals are a higher priority and more of the Community Room is needed now than before to facilitate this service.	Please refer to Section D(3).	Please refer to Section D(3).	Please refer to Section D(3).
6	Evidenced Based Classes	Sessions scheduled for in person attendance.	Presently not being held.	An example is the Living Well with Chronic Conditions class. No classes are being held or scheduled nationally through these accredited programs. Likely in person will not happen again in 2020.	Evaluating whether or not to conduct via Zoom in a virtual sense, but key consideration is for when can people attend this safely in person which will be related to social distancing, PPE, cleaning, etc.	Essential Infrastructure Businesses Phase 4	No additional costs forecasted at this time.

7	Loan Closet	Daily lending out of equipment is available in person with disinfection wipes used upon return of items.	Only lending out equipment and not presently taking in returns.	Reviewing new protocols for cleaning equipment, quarantining, etc. upon return.	Need to adjust from wipes to spray and use a larger area to clean within when they return versus hallway or office. Looking into process to take items back in phases through appointments.	Essential Infrastructure Businesses Phase 2	Need to adjust cleaning method and purchase appropriate supplies similar to other items within this list.
8	RSVP Medical Rides	This program provided on average 35 rides per month to those Seniors that needed rides to medical appointments.	None currently being provided. RSVP has closed this service until further notice.	Previously provided by Volunteers, more coordination by Staff to provide taxicab vouchers and direct people to Dane County Transportation Line. Volunteer Coordinator had been previously coordinating when the volunteer for this was lost, shifting that position back to this role will vacate other roles she's filled since the outbreak began. All volunteers not able to work have remained home.	Appropriate PPE can be applied but main consideration is to safely have volunteers, drivers, and vehicles again to conduct the transports. Somewhat out of the Village's hands at the present and will work under the restrictions established once it resumes.	Essential Infrastructure Businesses Phase 3	No additional costs forecasted at this time.
9	Shopping Trips	Typically 4 trips per month were scheduled for in person travel. 2 to the local grocer, and 2 to Madison.	Essentially by appointment only when needed.	Contracted service is available. They also offer grocery shopping services free of charge to Clients. Contracted service used for this purpose is also being used for meal delivery.	Will operate in limited fashion for the time being, also dependent upon contracted provider of the service.	Essential Infrastructure Businesses Phase 3	No additional costs forecasted at this time.
10	Social, Recreation, and Educational Events both on and off site.	Events scheduled from time to time at various locations within the Village.	All events cancelled, no new events scheduled.	Due to the population being high risk for the virus, all of these social events that would bring them together are cancelled to limit spread of the virus. Evaluating new and current programs to be reintroduced when safe.	Social distancing, PPE for all involved (Clients and Staff), cleaning, etc. are needed to again bring people together in person. Have to also balance these activities with other functions of the Department and Staff availability.	Essential Infrastructure Businesses Phase 4	No additional costs forecasted at this time.
11	Farmers Market Vouchers	Available in the Community Room through the County Nutrition Coordinator.	Available via US Mail.	Case Managers must gather information on behalf of Clients via the US Mail or drop off materials with Clients in order to participate in the Dane County drive thru pickup format.	Service remains intact to the extent its available but for in person contact, facilitating presently through other means.	Essential Infrastructure Businesses Phase 4	No additional costs forecasted at this time.
12	Foot Clinics	Held off-site monthly in Cambridge and McFarland through Stoughton Home Health.	Presently not being held.	The provider was not able to provide the service but is not offering again. Need to evaluate whether or not former spaces used are appropriate and/or additional private space may be needed.	Main item is getting the locations formerly used approved for this purpose, and those facilities (Skaalan Village in McFarland and Amundson Center in Cambridge) are controlled by others. Could also consider a privately licensed individual but also need to have a private space that is isolated to conduct the service.	Essential Infrastructure Businesses Phase 3	Evaluating alternatives and possible costs to restart this program.
13	Tax Clinics	5 sessions are held in-person in March and April via AARP within the Municipal Center.	3 sessions were completed and final 2 have been postponed.	Uses predominantly volunteers to assist Seniors with tax collection. One of the more popular services; however, a majority were completed before closure and tax return deadline was extended. A lot of those that did not participate in the first three sessions are finding other means to complete, so the final two sessions can likely be consolidated into one.	This depends on volunteers to run and trying to get them rescheduled to finalize remaining missed appointments. Property distancing can be applied and PPE where possible, but again reliant on volunteers to participate from the outside program which is unknown at the present.	Essential Infrastructure Businesses Phase 3	Thus far this is a free service we are trying to reschedule, but evaluating related costs as appropriate.

14	Newsletter	Printing approx. 350 for physical distribution each month and 150 via email. Posted online and printed within newspaper in both Cambridge and McFarland	Only menu has been sent directly to meal participants. No newsletter in May and June was limited for electronic distribution. Revised menu for distribution.	Limiting information in newsletter to the lack of availability of some services, as this expands then the narrative will also evolve. Targeting distribution as well to make sure key Clients see it.	This service saw limited disruption and will continue to report on Department happenings as well as distribute information on nutrition as it normally does. As more things come online, additional information will be included.	Essential Infrastructure Businesses Phase 1	The 2020 Budget for Printing and Publication is \$10,000 of which \$1,695 has been expended to date. There are no additional costs forecasted, if anything some budget savings might be achieved through scaled back printing.
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Reopening Plan

Section K

Forward Dane Plan

Summary

Prepared and presented by Public Health Madison and Dane County.

General Outlook

Orders issued as needed to implement elements and/or phases of the plan.



FORWARD DANE

Phased Reopening Plan for Dane County
During the COVID-19 Pandemic

MAY 18, 2020



 **Public Health**
MADISON & DANE COUNTY

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Forward Dane Purpose

The COVID-19 pandemic is a significant threat to our county, state, and country and may continue for months or years until a vaccine is developed, but we don't have months or years to wait to act. Our goals are to:

- Reduce the number of people who contract COVID-19
- Reduce the number of people who die from COVID-19

In the absence of a vaccine or treatments specific to COVID-19, population-based mitigation strategies – such as contact tracing, isolation, quarantine and, most notably, strict social or physical distancing such as public health orders like Safer at Home—have saved lives and slowed the spread of COVID-19 in our communities. However, the strictest of these prevention strategies, like Safer at Home, also comes at a significant cost to our economy, businesses, schools, and the health and well-being of our community at large.

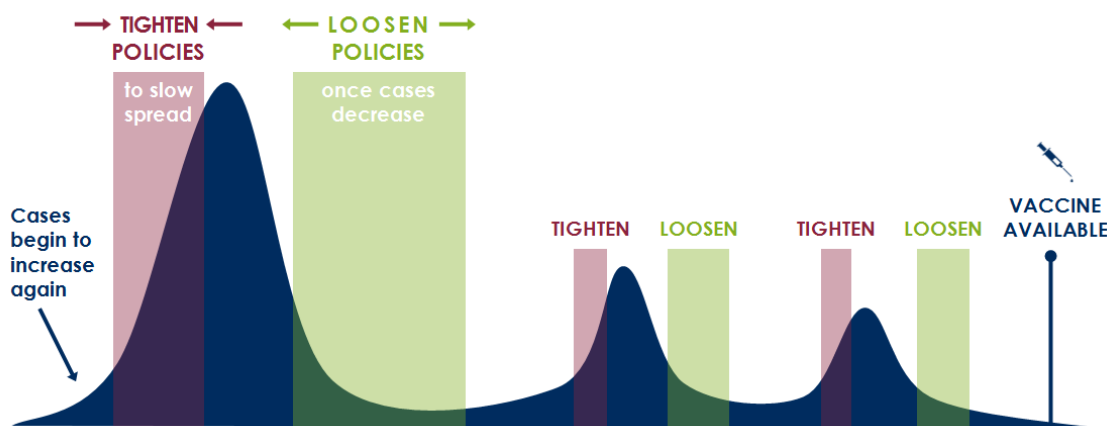
While our goal is to keep our residents and communities safe and healthy, we are also committed to re-opening Dane County in a way that protects our public's health while also building a strong foundation for long-term economic recovery. Our local public health infrastructure is strong. We have built the capacity in our community to test, support isolation and quarantine, conduct prompt contact tracing, and ensure the healthcare system is equipped to handle surges in COVID-19 illness.

However, we must not reopen too quickly or without the tools in place to minimize the spread of the virus. Doing so could threaten the progress we've made and have more significant health and economic consequences. This plan is meant to aid Public Health Madison & Dane County and everyone who lives, learns, works, prays, and plays in Dane County to think about when and how various community-level activities can be reopened, along with when and how mitigation strategies may need to be reinstated. This document is not meant to replace state or federal guidance but rather to supplement it with localized data and considerations. We will use this plan to think through situations specific to our own community.

This document provides Dane County-specific data and guidance for how and when we can begin to allow people to interact in a safe way and incrementally reopen businesses using a phased approach. It complements the Wisconsin Department of Health Services' Badger Bounce Back Plan and the guidance

provided by the Wisconsin Economic Development Corporation so everyone can understand their role in opening up our county.

While we hope that by following this plan our path to reopening will be linear, we cannot predict the path of this virus. It's possible that we may have to tighten or loosen policies so we can all stay safe and healthy and keep our healthcare and public health systems from becoming overwhelmed. We have created Forward Dane using data and the best evidence available so we can ensure our peaks stay low and we avoid the need for additional Safer at Home orders.



Responsibilities for Meeting Our Goals

In order to move Dane County forward, each sector must be aligned in our primary goals:

- Reducing the number of people who contract COVID-19
- Reducing the number of people who die from COVID-19

We all have a critical role to play in meeting these goals. By working together, we all can contribute to keeping people healthy and safe while moving Dane County forward.

Public Health

Because this pandemic is a public health emergency, public health professionals have the responsibility of tracking the virus and balancing the response. Some of the responsibilities that local public health has include:

- Receiving positive test results from healthcare in order to conduct contact tracing
- Ensuring quarantine and isolation
- Identifying and implementing population-level mitigation strategies and providing guidance for the safe reopening of our community, in alignment with state and federal plans
- Providing technical assistance to businesses, congregate facilities, and individuals to implement infection control best practices and contain outbreaks
- Tracking progress and local data
- Centering equity while communicating with the public and all sectors involved in the response to reduce the spread of illness

Healthcare

Healthcare systems will be on the frontlines of care, identifying individuals with positive diagnoses and caring for them when illness is severe enough to warrant supportive treatment. Additionally, as some of the largest employers in the region, occupational health and safety are also a critical component of what healthcare systems provide at a population level. Specific responsibilities for healthcare include:

- Identifying positive COVID-19 cases through testing; at a minimum, testing symptomatic individuals and contacts of positive cases
- Collaborating with public health and local businesses to test other emerging populations
- Developing plans and increasing capacity in case of a surge, including PPE supplies, ICU capacity, and respiratory capacity
- Using infection control procedures to screen staff for symptoms, test for COVID-19, and mitigate the spread of COVID-19 in employees

Businesses

The business community plays a critical role as the driver of our economy. To support a safe and successful reopening strategy, we ask for the private sector's support in keeping people healthy so they can safely be at work. To move Dane County forward, private sector responsibilities include:

- Protecting the health and safety of employees and customers
- Developing flexible sick leave policies and creating a culture in which employees can stay home when they are sick
- Monitoring staff for symptoms and working with local public health if an employee is diagnosed with COVID-19 or is a known contact to someone with COVID-19
- Implementing infection control policies, such as disinfecting surfaces frequently, keeping both employees and customers 6 feet apart from others, and other prevention measures
- Communicating to management, staff, and customers the importance of following prevention measures in order to prevent future outbreaks

Community Members

We ask everyone in Dane County to:

- Practice good hygiene, including washing hands with soap and water for at least 20 seconds and covering coughs and sneezes with a tissue or into an elbow
- Stay home when sick
- Clean high-touch objects like doorknobs, remotes, cell phones, and light switches frequently
- Follow public health recommendations and population-level prevention strategies, such as maintaining physical distancing and wearing cloth face coverings

Forward Dane Metrics

In order to reopen safely, we look at three types of data from a disease control standpoint.

- **Epidemiology** asks, can our healthcare and public health systems handle our growth in cases?
- **Healthcare** asks, is our healthcare system overwhelmed?
- **Public health** asks, are we able to contain infections that do occur?

Epidemiology

From a disease control standpoint, we must have few enough cases of COVID-19 to be swiftly contained. This is an important parameter, and our thresholds for phased reopening are set at levels that align with the progression of our epidemic locally—a lower positivity rate than what is seen at the state level and a low number of cases per 100,000 residents

Where we are today: Dane County has had a consistently low percent of tests that are positive, and our rate has been decreasing since its peak of 7% in late March. Our daily number of new cases has also been decreasing: only two days in the past month had a number of new cases in the double digits, compared to 18 days in the month before that. We're in a good place, but as testing ramps up (see Healthcare metrics), there are still a lot of unknowns related to identifying cases previously excluded from testing opportunities.

Healthcare

A sustained, high testing level is a critical metric that ensures our epidemiology criteria are meaningful. Testing is how we detect active infection, which leads to contact tracing and prevention of further disease transmission. Alongside testing to monitor the course of the epidemic, it is vital that healthcare systems are equipped to manage patient care in the context of a surge caused by COVID-19. To establish that hospitals are operating outside of crisis care, one of our metrics measures facility use, staffing, and critical supplies across Dane County hospitals. Given that healthcare workers power healthcare systems, we need to ensure evidence of robust testing of healthcare workers, and sustained low rates of positivity among healthcare workers.

Where we are today: Hospital capacity and testing for health care workers are strengths in Dane County. Hospitals have prepared to implement crisis care, but we have avoided a significant surge of COVID-19 in our healthcare settings. Additionally, the number of new cases among health care workers has been decreasing since its peak in late March.

Public Health

The third aspect of disease containment is our ability to identify and isolate individuals with positive diagnoses in order to prevent further spread. Through rapid contact tracing, we can identify and notify contacts who have been exposed. Through education and isolation assistance, we can help keep people who test positive and their contacts separated from others for the duration of the infectious period, and lower the risk of spread in the community. Monitoring community spread—the percentage of cases with an unidentified risk factor—is how we can gain a sense of the scale of undetected disease spread.

Where we are today: The vast majority of individuals who have a positive diagnosis are contacted by public health staff the same day or the day after their positive test result gets reported however, we still see delays between the time a lab test is done and the time the result is ready and reported to public health. Once cases and their contacts are contacted and informed of isolation procedures, we have the ability to offer various forms of support to those who need it. All of these contact tracing and isolation procedures are most effective when we are able to identify potential routes of disease transmission. This is where we need to make the most progress. We're still seeing cases with no known route of disease transmission, which means there are likely people unknowingly spreading the virus in the community.

Process Measures

In addition to the publicly facing nine metrics, we'll be monitoring process measures when things aren't going well to help us understand where there may be a gap in the system. These process measures look at transmission dynamics (the "R" value of our epidemic), lab result reporting timeliness, outbreak monitoring within priority populations, capacity for supporting isolation/quarantine, and contact attempts of both cases and contacts.

Forward Dane Metric Status

Active monitoring of real-time data-based metrics are critical. If metrics are not being met, mitigation strategies may be needed at the county level, or an even smaller scale (municipality, facility, or business) to address an identified hotspot.

Category Measure			Threshold Metrics	Dane County (May 18, 2020)
Epidemiology	Cases	Below a threshold of 5% for positive tests as a percent of total tests averaged across most recent 14 day period	Green: Below 5% positivity Yellow: 5-10% positivity Red: Above 10% positivity	
	Cases	Below a low incidence threshold of 0.71 new cases per 100,000 people per day (this is below 4 cases per day for Dane County) averaged over most recent 14 day period	Green: Below 4 cases per day Yellow: 4-20 cases per day Red: Greater than 20 cases per day	
Healthcare	Testing	Testing supplies and staff facilitate adequate testing for disease control and surveillance with a goal of 154 tests per 100,000 (this is over 800 tests per day for Dane County) in most recent 14 day period	Green: Greater than 800 tests per day Yellow: 400-800 tests per day Red: Below 400 tests per day	
	Hospital capacity	Robust testing in place for health care workers	Green: 95% of hospitals have arranged for all COVID-19 symptomatic clinical staff treating patients at the hospital in the past week Red: Less than 95% of hospitals have arranged for all COVID-symptomatic clinical staff treating patients at the hospital in the past week	

Public Health	Hospital capacity	Treat all patients without crisis care	Green: 95% of hospitals answer “no” to all 3 questions Facility use status: the facility is damaged/unsafe or non-patient care areas are being used by the facility for patient care Staffing status: trained staff are unavailable or unable to adequately care for the volume of patients even with extension techniques Critical supply status: critical supplies are lacking, resulting in reallocation of life-sustaining resources and/or other extreme operating conditions Red: Yes to one or more questions	
	Hospital capacity	Stable or decreasing numbers of infected health care workers	Green: No significant increase in weekly healthcare worker infections for most recent 14 days Yellow: Significant increase in healthcare worker cases due to a known cluster in a single facility for most recent 14 days Red: Significant increase in new weekly healthcare worker cases for most recent 4 weeks	
	Lab reporting timeliness and contact tracing	All positive cases can be reported and contacted quickly to facilitate rapid isolation and quarantine for disease control	Green: More than 85% of all new cases are contacted within 48 hours of their test collection Yellow: 70-85% of all new cases are contacted within 48 hours of their test collection Red: Fewer than 70% of all new cases are contacted within 48 hours of their test collection	
	Community spread	Proportion of contacted COVID-19 cases who don't know where they could have gotten COVID-19 in most recent 14 day period	Green: Fewer than 20% of cases don't know where they could have gotten COVID-19 Yellow: 20-30% cases don't know where they could have gotten COVID-19 Red: More than 30% cases don't know where they could have gotten COVID-19	
	Surveillance	Stable or decrease of COVID-like syndromic cases reported within most recent 14 day period	Green: No significant increase in COVID-like syndromic cases for most recent 14 days Red: Significant increase in COVID-like syndromic cases for most recent 14 days	

Why a Phased Approach to Reopening is Important

The science of COVID-19 transmission is ever evolving. Research has shown that coughing and sneezing from a person with COVID-19 are highly effective routes of disease transmission. [Emerging research](#) suggests speech droplets generated by asymptomatic carriers are also a potentially important mode of disease transmission.

It is this science that serves as the basis of our phased approach to reopening. Crowded restaurants, open work spaces, indoor and contact sports, facilities where distancing is a challenge, activities with a lot of deep breathing (such as singing)—these areas and activities are inherently more prone to transmission of COVID-19, particularly when a person who has COVID-19 doesn't know it. We also know that populations of color have been disproportionately impacted during this epidemic. A rush to reopen risks furthering inequities if people are placed in unsafe work or community environments.

This is why our phased approach starts carefully to minimize risk of exposure to the greatest extent possible while supporting way to get back to business. With Safer at Home, many of the potential places or activities for transmission to occur weren't happening. As we re-introduce those activities, we must ensure we are still able to identify and contain the number of cases that are likely to result from more people being exposed in more settings.

While we hope that we do not see numbers of cases or deaths increase to the point where we need to move into a more restrictive phase, because so much is unknown with this virus, it is a possibility that we may have to face. That decision, if necessary, will be made using data and science, with the best interest of our community's health in mind, while understanding the economic and emotional impact of moving back and forth.

The following data metrics will be assessed to move through reopening phases:

- If all metrics are at least yellow, move to Phase 1.
- Assess at 14 days after implementation of Phase 1.
 - If more than half of metrics are green and epidemiology criteria are not red, move to Phase 2.
 - If criteria are not met after 14 days, assess regularly until criteria are met.
- Assess at 14 days after implementation of Phase 2.
 - If more than half the metrics in Dane County are green, and no metrics in Dane County or the Southern Region are red, move to Phase 3.
 - If criteria are not met after 14 days, assess regularly until criteria are met.
- Continue in Phase 3 until widespread protections are available.

Phased Reopening Plan

	SAFER AT HOME	PREPARE FOR SAFE REOPEN	PHASE ONE IMPLEMENT	PHASE TWO MAINTAIN	PHASE THREE SUSTAIN	PHASE FOUR NEW NORMAL
Population level disease transmission mitigation	Most Restrictive	Minimal loosening of restrictions to allow businesses to prepare for phased reopening	More Restrictive -----Less Restrictive If localized outbreaks occur, enact all measures possible to stay within current phase. If metrics are not maintained, may have to consider returning to a previous phase.			To be determined
Data metrics to move through phases		If all metrics are at least yellow, move to Phase 1.	Assess at 14 days after implementation of Phase 1. If more than half are green and Epi criteria are not red, move to Phase 2. If criteria are not met after 14 days, assess regularly until criteria are met.	Assess at 14 days after implementation of Phase 2. If more than half the metrics in Dane County are green, and no metrics in Dane County or the Southern Region are red, move to Phase 3. If criteria are not met after 14 days, assess regularly until criteria are met.	Continue in this phase until widespread protections are available.	
Public Health requirements for all phases and sectors	Public Health requirements for all phases and employers - Written and implemented hygiene policy and procedure that includes: - Ensuring employees who have a fever or other symptoms of COVID-19 will not be allowed to work. - Hand washing expectations and supplies available for staff - A description of proper cough and sneeze etiquette - Written and implemented cleaning policy and procedure that includes: - Cleaning and disinfecting frequently touched surfaces multiple times a day - Frequently wiping down any shared equipment, such as work spaces, credit card machines, lunch room items, carts, baskets, etc. - Cleaning common areas and equipment between use or shift changes. - Protocols to clean and disinfect in the event of a positive COVID-19 case - Written and implemented protective measure policy and procedure that includes: - Ensuring people are at least 6 feet from others whenever possible. - Ensuring employees are provided with and wear face coverings when unable to maintain at least 6 feet of distance from people. - If a transparent partition is in place, a face covering is recommended, but not required. - Documented staff receipt, acknowledgement, or training on the policies					

	SAFER AT HOME Dane County Order issued May 13, 2020	PREPARE FOR SAFE REOPEN Dane County Order issued May 18, 2020	PHASE ONE All activities in Phase 1 that cannot maintain physical distancing must take place only with household members. Example: dining, theater	PHASE TWO	PHASE THREE
	Must also follow Public Health requirements in all phases, in addition to sector specific requirements.				

Long-Term Congregate Living

Long-term care facilities	No outside visitors No group activities or communal dining	No outside visitors No group activities or communal dining	No outside visitors No group activities or communal dining	Visitors for compassionate care Screen visitors for symptoms of illness No group activities or communal dining	Screen visitors for symptoms of illness
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Public and Private Schools, Childcare Centers, Summer Programs, and Institutions of Higher Education

K-12 schools	No	No in-person instruction Minimum basic operations and activities approved by Public Health Madison & Dane County	No in-person instruction Minimum basic operations and activities approved by Public Health Madison & Dane County	Yes	Yes
Post-secondary education institutions	Yes, for purposes of facilitating distance learning, performing critical research, or performing essential functions as determined by the institution	Yes, for purposes of facilitating distance learning, performing critical research, or performing essential functions as determined by the institution	Yes, for purposes of facilitating distance learning, performing critical research, or performing essential functions as determined by the institution	Yes	Yes
Child care settings	No more than 10 staff and fewer than 50 children present	No more than 50 children present per license	No interaction between groups/classrooms Groups cannot be larger than 15	No interaction between groups/classrooms Groups cannot be larger than 15	Yes

Businesses, Workplaces, and Faith & Spiritual Communities

Office spaces	Yes, with exemptions	Yes, with exemptions	25% capacity	50% capacity	Yes
Restaurants, bars, & food trucks	Take-out and delivery service	Take-out and delivery service Minimum basic operations to prepare for safe reopen	25% indoor capacity Outdoor seating allowed Space tables at least six feet apart. Limit each table to a maximum of six guests. At bar areas, maintain at least six feet between each household No self-service No customer self-dispensing	50% indoor capacity Outdoor seating allowed Assure spacing requirements (to be defined) No self-service No customer self-dispensing	Outdoor seating allowed Assure spacing requirements (to be defined) No self-service No customer self-dispensing
Essential infrastructure businesses (Such as food production, healthcare, transport, manufacturing, construction, and agriculture, including their corporate offices)	Yes	Yes	Yes	Yes	Yes
Stores that sell groceries and medicine	No dine-in No self-service No customer self-dispensing	No dine-in No self-service No customer self-dispensing	Dine-in capacity 25% No self-service No customer self-dispensing	Dine-in capacity 50% No self-service No customer self-dispensing	Dine-in capacity 75% No self-service
Retail establishments	Mail, delivery, and curbside pick-up operations Stores with outside-facing entrances allowed up to 5 patrons Essential business operating with restrictions	Mail, delivery, and curbside pick-up operations Stores with outside-facing entrances allowed up to 5 patrons Essential business operating with restrictions	25% capacity No sampling of goods (example: food or make-up)	50% capacity No sampling of goods (example: food or make-up)	75% capacity No sampling of goods (example: food or make-up)

Gym/recreational facilities	No	No Minimum basic operations to prepare for safe reopen	25% capacity Basketball courts and other areas where contact sports occur should be closed Saunas and steam rooms closed	50% capacity Basketball courts and other areas where contact sports occur should be closed Saunas and steam rooms closed	75% capacity
Salons, tattoo parlors, and spas	No	Minimum basic operations to prepare for safe reopen	Services provided by appointment only No client should remain in a waiting area prior to receiving services Employees wear face coverings or mask at all times Customers wear face coverings to the extent possible	Services provided by appointment only No client should remain in a waiting area prior to receiving services Employees wear face coverings or mask at all times Customers wear face coverings to the extent possible	Employees wear face coverings or mask at all times Customers wear face coverings to the extent possible
Lodging (Such as hotels, motels, short-term rentals, campgrounds)	Yes	Yes	Yes	Yes	Yes
Community centers & visitor/info centers	No	No Minimum basic operations to prepare for safe reopen	25% capacity	50% capacity	75% capacity
Car washes	Automatic and self-service car washes only	Automatic and self-service car washes only	Automatic and self-service car washes Full service and express detail, exterior only	Yes	Yes
Cleaning services	No, residential Yes, commercial	No, residential Yes, commercial	Yes	Yes	Yes

Exterior home work (aesthetic or optional)	Yes, if it can be done by one person	Yes	Yes	Yes	Yes
Interior home work (aesthetic or optional)	No	No Minimum basic operations to prepare for reopening	Yes	Yes	Yes
Indoor shopping malls	Stores with outside-facing entrances allowed up to 5 patrons Curbside allowed	Stores with outside-facing entrances allowed up to 5 patrons Curbside allowed Minimum basic operations to prepare for reopening allowed	25% capacity	50% capacity	75% capacity
Faith-based services, religious entities, and places of worship (indoor)	Allowed with less than 10 people per room	25% capacity	25% capacity	50% capacity	75% capacity

Recreational Activities

Low contact recreational activities (Such as walking, bike riding, tennis, disc golf, pickle ball, dog parks)		Yes	Yes	Yes	Yes
High risk recreational activities (Such as contact or team sports)	No	Yes, with household members	Yes, with household members	To be determined	To be determined
Outdoor playgrounds & splash pads	No	No	No	Yes	Yes
Indoor playgrounds, funplexes, trampoline parks, miniature golf, and skating rinks	No	No	No	50% capacity	75% capacity
Golf courses	Yes, with restrictions	Yes, with restrictions	Yes, with restrictions	Yes	Yes

Outdoor recreational rentals	Yes, with restrictions	Yes, with restrictions	Yes, with restrictions	Yes	Yes
Licensed swimming pools	No	No Minimum basic operations to prepare for reopening	25% capacity	50% capacity	75% capacity
Indoor places of arts and culture (Such as movie & other theaters, social clubs, museums)	No	No Minimum basic operations to prepare for reopening	25% capacity Minimum 6 feet spacing between groups	50% capacity	75% capacity
Outdoor places of amusement and activity (Such as amusement parks, zoos, miniature golf)	No	No Minimum basic operations to prepare for reopening allowed	25% capacity	50% capacity	75% capacity
Outdoor Entertainment (Such as festivals, carnivals, fairs, concerts)	No	No	25 people maximum (not including employees)	100 people maximum (not including employees)	250 people maximum (not including employees)
Bowling Alleys	No	No	25% capacity Customers must bring their own equipment	50% capacity	75% capacity

Mass or Social Gatherings

Indoor mass gatherings in public venues & private property	No	No	10 people maximum (not including employees) Must maintain physical distancing	50 people maximum (not including employees) Must maintain physical distancing	100 people maximum (not including employees) Must maintain physical distancing
Outdoor mass gatherings in public venues & private property	No	No	25 people maximum (not including employees) Must maintain physical distancing	100 people maximum (not including employees) Must maintain physical distancing	250 people maximum (not including employees) Must maintain physical distancing



VILLAGE BOARD SUMMARY SHEET

MEETING DATE: Monday, June 8, 2020

SECTION: Business

DEPARTMENT: Administration

CONTACT: Matt Schuenke, Village Administrator, Cassandra Suettinger, Village Clerk/Treasurer

AGENDA ITEM: Discussion and action regarding approval of Addendum C (Workplace Response Policy) within the Personnel Policy Manual.

PREVIOUS ACTION:

The Personnel Committee reviewed this policy at its meeting on June 8, 2020 and recommended its approval.

ISSUE SUMMARY:

Enclosed within your packet please find a draft policy regarding COVID-19 Workplace Response. The Village has been addressing these issues internally regarding illness, hygiene, cleaning, and protective measures but now they are formally required as policy according to the Forward Dane Plan that was issued on May 20th. Order #2 from the Health Department that was issued on the same day mandates these requirements for all employers as its generally outlined within the plan while we are granted some discretion on how the policy is put together.

The Policy was drafted by Staff in a similar format as what was used previously for Federal mandates that were adopted on March 31st. These are standard specific to the outbreak and have a sunset. Later if we want to keep some of these standards, at a future meeting we could talk about how better to integrate into our manual permanently. The Labor Attorney and Village Attorney have reviewed these policies, and recommend their approval as presented.

FINANCIAL/BUDGET IMPACT:

There are costs associated with this policy including everything from keeping our facilities clean to personnel. They are necessary though in order to continue to provide essential services and required by the County's order. All costs associated are flagged for possible reimbursement, some of which should qualify.

VILLAGE PLAN REFERENCE:

None.

ORDINANCE REFERENCE:

None.



BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

Recommended for approval.

ATTACHMENTS:

1. Personnel Policy Manual - Addendum C (Work Place Policy) 06042020 mgs
2. 20200522_COVID-19 Return to Work Guidelines
3. Forward_Dane

ADDENDUM C – COVID-19 WORKPLACE RESPONSE POLICY

C.01 General Purpose

(1) In accordance with guidance and/or orders issued by Public Health Madison & Dane County, State of Wisconsin, and Centers for Disease Control, the Village of McFarland (“Village”) has established the following workplace guidelines applicable to all Employees. As all of us are aware, the COVID-19 Pandemic is an evolving and dynamic situation, so our response to it may change as we and other authorities receive more information and understanding of the disease. The risks of the virus causing COVID-19 and other illnesses should be taken very seriously by all Employees to ensure the safety of themselves, fellow co-workers, and the public at large they serve. The Village will continue to monitor developments and we will update Employees when information changes as soon as we are able to do so and it is also relevant to our organization.

(2) The Village reserves the right to revise, supplement, rescind, or deviate from any of these policies or portion of this Policy from time to time as it deems appropriate, in its sole discretion and absolute discretion, and with or without advance written notice.

(3) Under Emergency Order #2 issued on May 18, 2020 by the Public Health Madison and Dane County it required policies be developed in accordance with the Forward Dane Plan for all phases and sectors of employment if they are to reopen amidst the COVID-19 crisis. The goal of the Forward Dane Plan is to keep residents and communities safe and healthy while also remaining committed to reopening Dane County in a way that protects our public’s health while also building a strong foundation for long term economic recovery. Within this plan, it is required through the order that within all phases for every employer that they will adopt and implement policies that address hygiene, cleaning, and protective measures as part of our workplace response to the virus. This policy is created to comply with these requirements.

C.02 Employee Illness Policy.

(1) **Purpose.** All Employees are responsible for safeguarding the health and safety of others. For this reason, effective immediately, all Village Employees, regardless of position or authority, must comply with the following policy establishing workplace guidelines regarding employee illness.

(2) **Policy.**

(a) Much as Employees should do before interacting with members of the community in their personal lives, before reporting for work, all Employees will self-monitor for symptoms of illness prior to work arrival. Self-monitoring should include but not be limited to the following COVID-19 related symptoms:

- Cough.
- Shortness of breath or difficulty breathing.

- Fever > 100 F.
 - Chills.
 - Muscle pain.
 - Sore throat.
 - New loss of taste or smell.
 - Other less common symptoms have been reported include gastrointestinal symptoms like nausea, vomiting, or diarrhea.
- (b) Employees who have any symptom compatible with potential COVID-19 or Employees who have been exposed to another individual with potential COVID-19 should not and will not be allowed to report to the workplace. Employees should communicate this to their immediate Supervisor. An employee who reports to the workplace who is ill or exposed to COVID-19 or other contagious illness may cause great harm to coworkers and to the interests of the Village through substantial costs and disruption to operations. The Village provides many employees with paid leave banks to draw from to cover absences from work, and expects all employees to use eligible paid leave banks in a professionally responsible manner consistent with the interests of this policy and eligible uses of such paid leaves. Employees without paid leave may request unpaid leave from the Administrator.
- (c) The Village will follow the Return to Work Guidelines set and updated by the Medical Director as applicable, or other Village designated source, for those Employees who have symptoms compatible with potential COVID-19 or Employees who have been exposed to another individual with potential COVID-19. Current guidelines are attached hereto for reference but subject to change at the discretion of the Medical Director or other designated source.

C.03 Hygiene Policy.

(1) **Purpose.** All Employees are responsible for safeguarding the health and safety of others. For this reason, effective immediately, all Village Employees, regardless of position or authority, must comply with the following personal hygiene policy:

- (a) All Employees will be required to frequently wash hands with soap and warm water as needed and applicable.
- (b) All Employees shall follow proper cough and sneeze etiquette as needed and applicable.

(2) **Policy.**

- (a) **Handwashing.** Employees are responsible for letting their Supervisor know when handwashing supplies or hand sanitizer are needed. Employees will wash their hands with soap and water for at least 20 seconds or use hand sanitizer at times including but not limited to the following:

- At the beginning of each shift and/or workday.
- Between meeting in person with members of the public.
- Before interacting in person with other Employees.
- After touching mask.
- When switching between work tasks.
- After using the restroom.
- Before and after lunch/break.
- After sneezing, coughing, or blowing nose.
- When hands are visibly soiled.
- Prior to leaving work.

- (b) **Cough & Sneeze Etiquette.** To help stop the spread of germs, Employees should:

- Cover mouth and nose with a tissue when coughing or sneezing.
- Throw used tissues in the trash.
- Keep tissues at your work station.
- If you don't have a tissue, cough or sneeze into elbow and not hand.

C.04 Cleaning Policy.

- (1) **Purpose.** All Employees are responsible for safeguarding the health and safety of others. For this reason, effective immediately, all Village Employees, regardless of position or authority, must comply with the following facility cleaning and hygiene policy.

- (2) **Policy.** The Village will direct or provide upon request the following to all Employees:

- (a) The cleaning protocols and frequency of all common areas.
- (b) The proper use of cleaning supplies and safety concerns products used.
- (c) How to clean and disinfect after persons suspected/confirmed to have COVID-19 have been in the facility.

- (d) The cleaning schedule.
- (e) All other information as might be relevant to cleaning.

(3) **Responsibility.**

(a) **Supervisor.**

- Ensure performance by Employees under facility cleaning and hygiene procedures as needed and applicable.
- Ensure the cleaning frequency of the facility is increased as needed and applicable, including the restrooms.
- Ensure employees are cleaning high-touch surfaces (keypads, pends, counters, etc.) are disinfected multiple times a day, ideally between uses based upon their exposure to the public and/or other Employees.
- Ensure only EPA approved disinfectants effective against COVID-19 are used.
- Ensure Employees are stocking handwash sinks in breakrooms and restrooms with soap and single-use towels.
- Ensure access, where possible, to hand sanitizer for Employee and public use through the facility and within workstations.
- Where possible, provide sanitizer wipes to employees for wiping baskets, door handles, and other frequently touched areas.

(b) **Employee.**

- Fulfill all cleaning and disinfecting responsibilities assigned to employee.
- Communicate with supervisors regarding cleaning and disinfecting and areas requiring attention.
- Replenishing as they are able to or letting the Supervisor know when cleaning supplies are low.
- Performing cleaning as needed, assigned, or scheduled.
- Using proper disinfecting supplies when applicable.
- Employees should refrain from sharing equipment, tools, vehicles, technology, and/or others similar items. If sharing is necessary, the shared item will be disinfected between users.

C.05 Protective Measure Policy.

(1) **Purpose.** All Employees are responsible for safeguarding the health and safety of others. For this reason, effective immediately, the Village enacts the following policy regarding protective measures applicable to all employees, regardless of position or authority.

(2) Policy.

(a) Employees shall be responsible for the following:

- Maintain six feet physical distancing from others whenever possible.
- Wear a face covering as directed by the Employer if physical distancing is not possible between the Employee and the public and/or other employees.
- Wear face coverings in elevators, restrooms and other areas within the business facility where physical distancing is not possible.
- Use additional protective measures such as gloves, eye protection, and face shields if in a stationary position and/or less than six feet from others.
- Use a transparent partition or barrier in place of a face covering for specific job duties (cloth face coverings are recommended, but not required, for additional protection when barriers are used).
- Demonstrate proper use of all personal protective equipment or PPE prior to performing work duties at worksite where applicable.
- Maintain physical distancing and minimize contact between members of the public and other employees.
- Not have any direct person to person contact (i.e., no hand shaking, no high fives, no hugs).
- Refrain from other unnecessary conduct that may enhance chances for transmission of COVID-19 or other contagions.

(b) Supervisors shall be responsible for the following:

- Require all employees who cannot physically distance to wear face covering if they are able.
- Limit in-person meetings by using other means of communications such as telephone, Zoom, Skype and email, that are not in person.

- Limit number of employees present on the premises at any given time as appropriate and applicable.
- Limit number of visitors at any given time as applicable and appropriate.
- Spread out workstations so employees can remain six feet apart at all times where practical.
- Stagger break and lunch times, and shift schedules including start and end times.
- Where consistent with the interests of efficient Village operations, permit temporary flexible/remote work schedules to reduce number of employees in the office at any one time.
- Ensure installation of physical barriers such as clear, plastic sneeze shields at reception areas or between workstations.
- Ensure removal of extra chairs and tables in dining area, waiting areas, breakrooms to allow people to remain six feet apart when possible
- Provide tape, chalk or other means of marking floors/ground in high traffic areas to show people where to stand when waiting (e.g. elevators, reception area).
- Ensure the use of tape or other markings on the floor or footprint graphics to show clients and visitors where to stand.
- Consider having visitors wait in their cars for a text or call when it's their turn to enter if needed, allowed, and applicable.
- Post physical distancing signage throughout the premises reminding everyone to practice physical distancing.
- Provide required reasonable accommodations for vulnerable workers or those unable to wear face covering.

C.07 Travel Policy.

(1) **Purpose.** Employees are recommended to consider the consequences of their essential and non-essential travel especially to areas of known Community Spread and areas defined by the Centers for Disease Control to be considered High Risk Locations. If Employees do travel for any reason, then the following will apply upon their return:

(2) **Policy.** Employees are recommended to restrict their non-essential travel especially to areas of known Community Spread and areas defined by the Centers for Disease Control to be considered High Risk Locations. If Employees do travel for any reason, the following will apply upon their return:

- (a) Employees that do travel for any reason should self-monitor upon return in accordance with Section C.02(2)(a) of this policy. Employees with symptoms should not report to work.
- (b) Employees that do travel and were in close contact with someone that was symptomatic or tested positive for COVID-19 will not be allowed to work in accordance with Section C.02(2)(b). The Employee may return to work in accordance with Section C.02(2)(c) of this policy.
- (c) Employees that do travel to an area identified by the CDC or other applicable health department as a high-risk location for COVID-19 transmission must notify the Administrator. The employee may be prohibited from returning to the workplace pending evaluation of the matter by the Village.

C.08 Employee Acknowledgement.

- (1) All Employees of the Village will be provided either an electronic and/or hard copy of this policy.
- (2) All Employees will acknowledge having received, reviewed, and understanding its contents.
- (3) Village will provide additional training, background, and information as needed for Employees upon request.
- (4) Employees understand that compliance with this policy is for their own benefit and the benefit and safety and welfare of coworkers. Violations of this policy may require significant response, including discipline or termination. Careless or willful violations of this policy that jeopardize or present risk to the safety and wellbeing of others or the interests of the Village, as determined by the Administrator or Department Head, require consideration for discharge.

C.09 Expiration of Benefit.

- (1) This policy will expire on December 31, 2020 unless the terms of the current health order are extended by Public Health Madison & Dane County or this policy is extended, modified, or repealed by the Village Board.

C.10 Questions.

- (1) If you have any questions regarding the operation or interpretation of this Policy, please contact the Village Administrator.

Guidelines for Return to Work – COVID 19 Pandemic

This guidance is based on currently available data about COVID-19 from the CDC, Wisconsin DHS, and Madison and Dane County Public Health. Recommendations regarding which providers are restricted from work may not anticipate every potential scenario and will change if indicated by new information. Recommendation is to self-monitor for fever and symptoms of COVID-19 on a daily basis for EVERYONE (see example of self-monitoring form). Contact your supervisor as soon as possible prior to your next scheduled shift if you screen positive OR you have developed a temperature >100 °F. Depending on current staffing situation, recommendations to return to work after illness or exposure, may be discussed on a case by case basis in coordination with the medical director.

For personnel with symptoms compatible with potential COVID-19: You have the option of a test-based strategy or non-test based strategy. Testing is not mandatory.

Test Based Strategy with POSITIVE results of COVID testing

- Remain under home isolation precautions for a minimum of 10 days from symptom onset AND
- At least 3 days (72 hours) have passed since recovery defined as resolution of fever without the use of fever-reducing medications AND improvement in respiratory symptoms (e.g., cough, shortness of breath) if present AND
- Approval to return to work must be confirmed by supervisor and medical director.

Test Based Strategy with NEGATIVE results of COVID testing

- At least 3 days (72 hours) have passed since recovery defined as resolution of fever without the use of fever-reducing medications AND improvement in respiratory symptoms (e.g., cough, shortness of breath) if present.

Symptom Based Strategy

- Remain under home isolation precautions for a minimum of 10 days from symptom onset AND
- At least 3 days (72 hours) have passed since recovery defined as resolution of fever without the use of fever-reducing medications AND improvement in respiratory symptoms (e.g., cough, shortness of breath) if present.
- Approval to return to work must be confirmed by supervisor and medical director

After returning to work for all symptomatic personnel:

- Must wear a facemask **at all times** until all symptoms are completely resolved or until 14 days after illness onset, whichever is longer
- Adhere to hand hygiene, respiratory hygiene, and cough etiquette (e.g., cover nose and mouth when coughing or sneezing, dispose of tissues in waste receptacles)
- Self-monitor for symptoms, and alert supervisor if fever develops, or if respiratory symptoms recur or worsen

For personnel who are asymptomatic but with laboratory-confirmed COVID-19 may return to work under the following conditions:

- Remain under home isolation precautions for a minimum of 10 days from the date of their first positive COVID-19 diagnostic test, assuming they have not subsequently developed symptoms.
- If they develop symptoms, then the symptom based or test-based strategy above should be used.

COVID-19 Exposure for ASYMPTOMATIC Individuals

In Dane County, with community spread and limited testing, guidance below is the same regardless of whether someone has a confirmed COVID-19 test or not. Essential service personnel should ASSUME that they have come into contact with someone with COVID-19 or will at some point.

Because our local community now has defined sustained community spread, the recommendation to practice social distancing, remain at home or in a comparable setting unless necessary travel is required, and to cancel all non-essential travel is applicable to everyone. It is no longer reasonable to expect providers to undergo exclusion from work post travel if they are asymptomatic.

Self-monitoring means health care provider or member of public safety should monitor themselves for fever by taking their temperature twice a day and remain alert for symptoms (e.g., cough, shortness of breath, sore throat) – refer to example self-monitoring forms. Anyone on self-monitoring should be provided a plan for whom to contact if they develop fever or respiratory symptoms during the self-monitoring period to determine whether medical evaluation is needed.

Close contact is defined as:

- Being within approximately 6 feet (2 meters) of a suspected or known COVID-19 case for >15 minutes. Close contact can occur while caring for, living with, visiting, sharing a healthcare waiting area or room, or enclosed emergency vehicle with a COVID-19 case.

OR

- Having direct contact with infectious secretions of a COVID-19 case (e.g. being coughed on).

Exposure	Personal Protective Equipment	Work Restrictions
Prolonged, close contact with an individual with confirmed COVID-19	- Provider NOT wearing a mask - Provider NOT wearing eye protection - Provider NOT wearing ALL recommended PPE (gown, gloves, eye protection, and respirator) while performing an aerosol-generating procedure	- Exclude from work for 14 days after last exposure - Self-monitor for signs/symptoms of COVID-19 - Wear face mask per current policy - If symptoms develop, contact supervisor prior to returning to work
Any other exposure risk	Not applicable	- No work restrictions - Self-monitor for signs/symptoms of COVID-19 - If symptoms develop, contact supervisor prior to returning to work



FORWARD DANE

Phased Reopening Plan for Dane County
During the COVID-19 Pandemic

MAY 18, 2020



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Forward Dane Purpose

The COVID-19 pandemic is a significant threat to our county, state, and country and may continue for months or years until a vaccine is developed, but we don't have months or years to wait to act. Our goals are to:

- Reduce the number of people who contract COVID-19
- Reduce the number of people who die from COVID-19

In the absence of a vaccine or treatments specific to COVID-19, population-based mitigation strategies – such as contact tracing, isolation, quarantine and, most notably, strict social or physical distancing such as public health orders like Safer at Home—have saved lives and slowed the spread of COVID-19 in our communities. However, the strictest of these prevention strategies, like Safer at Home, also comes at a significant cost to our economy, businesses, schools, and the health and well-being of our community at large.

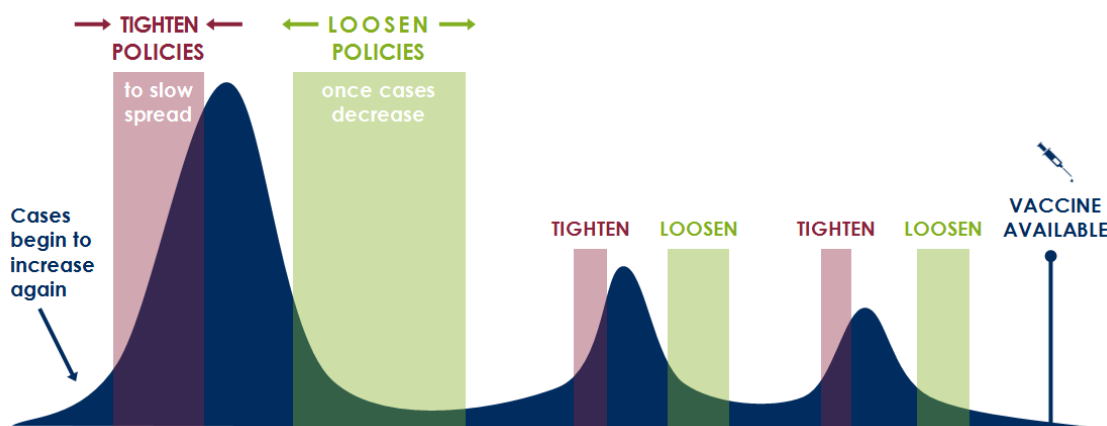
While our goal is to keep our residents and communities safe and healthy, we are also committed to re-opening Dane County in a way that protects our public's health while also building a strong foundation for long-term economic recovery. Our local public health infrastructure is strong. We have built the capacity in our community to test, support isolation and quarantine, conduct prompt contact tracing, and ensure the healthcare system is equipped to handle surges in COVID-19 illness.

However, we must not reopen too quickly or without the tools in place to minimize the spread of the virus. Doing so could threaten the progress we've made and have more significant health and economic consequences. This plan is meant to aid Public Health Madison & Dane County and everyone who lives, learns, works, prays, and plays in Dane County to think about when and how various community-level activities can be reopened, along with when and how mitigation strategies may need to be reinstated. This document is not meant to replace state or federal guidance but rather to supplement it with localized data and considerations. We will use this plan to think through situations specific to our own community.

This document provides Dane County-specific data and guidance for how and when we can begin to allow people to interact in a safe way and incrementally reopen businesses using a phased approach. It complements the Wisconsin Department of Health Services' Badger Bounce Back Plan and the guidance

provided by the Wisconsin Economic Development Corporation so everyone can understand their role in opening up our county.

While we hope that by following this plan our path to reopening will be linear, we cannot predict the path of this virus. It's possible that we may have to tighten or loosen policies so we can all stay safe and healthy and keep our healthcare and public health systems from becoming overwhelmed. We have created Forward Dane using data and the best evidence available so we can ensure our peaks stay low and we avoid the need for additional Safer at Home orders.



Responsibilities for Meeting Our Goals

In order to move Dane County forward, each sector must be aligned in our primary goals:

- Reducing the number of people who contract COVID-19
- Reducing the number of people who die from COVID-19

We all have a critical role to play in meeting these goals. By working together, we all can contribute to keeping people healthy and safe while moving Dane County forward.

Public Health

Because this pandemic is a public health emergency, public health professionals have the responsibility of tracking the virus and balancing the response. Some of the responsibilities that local public health has include:

- Receiving positive test results from healthcare in order to conduct contact tracing
- Ensuring quarantine and isolation
- Identifying and implementing population-level mitigation strategies and providing guidance for the safe reopening of our community, in alignment with state and federal plans
- Providing technical assistance to businesses, congregate facilities, and individuals to implement infection control best practices and contain outbreaks
- Tracking progress and local data
- Centering equity while communicating with the public and all sectors involved in the response to reduce the spread of illness

Healthcare

Healthcare systems will be on the frontlines of care, identifying individuals with positive diagnoses and caring for them when illness is severe enough to warrant supportive treatment. Additionally, as some of the largest employers in the region, occupational health and safety are also a critical component of what healthcare systems provide at a population level. Specific responsibilities for healthcare include:

- Identifying positive COVID-19 cases through testing; at a minimum, testing symptomatic individuals and contacts of positive cases
- Collaborating with public health and local businesses to test other emerging populations
- Developing plans and increasing capacity in case of a surge, including PPE supplies, ICU capacity, and respiratory capacity
- Using infection control procedures to screen staff for symptoms, test for COVID-19, and mitigate the spread of COVID-19 in employees

Businesses

The business community plays a critical role as the driver of our economy. To support a safe and successful reopening strategy, we ask for the private sector's support in keeping people healthy so they can safely be at work. To move Dane County forward, private sector responsibilities include:

- Protecting the health and safety of employees and customers
- Developing flexible sick leave policies and creating a culture in which employees can stay home when they are sick
- Monitoring staff for symptoms and working with local public health if an employee is diagnosed with COVID-19 or is a known contact to someone with COVID-19
- Implementing infection control policies, such as disinfecting surfaces frequently, keeping both employees and customers 6 feet apart from others, and other prevention measures
- Communicating to management, staff, and customers the importance of following prevention measures in order to prevent future outbreaks

Community Members

We ask everyone in Dane County to:

- Practice good hygiene, including washing hands with soap and water for at least 20 seconds and covering coughs and sneezes with a tissue or into an elbow
- Stay home when sick
- Clean high-touch objects like doorknobs, remotes, cell phones, and light switches frequently
- Follow public health recommendations and population-level prevention strategies, such as maintaining physical distancing and wearing cloth face coverings

Forward Dane Metrics

In order to reopen safely, we look at three types of data from a disease control standpoint.

- **Epidemiology** asks, can our healthcare and public health systems handle our growth in cases?
- **Healthcare** asks, is our healthcare system overwhelmed?
- **Public health** asks, are we able to contain infections that do occur?

Epidemiology

From a disease control standpoint, we must have few enough cases of COVID-19 to be swiftly contained. This is an important parameter, and our thresholds for phased reopening are set at levels that align with the progression of our epidemic locally—a lower positivity rate than what is seen at the state level and a low number of cases per 100,000 residents

Where we are today: Dane County has had a consistently low percent of tests that are positive, and our rate has been decreasing since its peak of 7% in late March. Our daily number of new cases has also been decreasing: only two days in the past month had a number of new cases in the double digits, compared to 18 days in the month before that. We're in a good place, but as testing ramps up (see Healthcare metrics), there are still a lot of unknowns related to identifying cases previously excluded from testing opportunities.

Healthcare

A sustained, high testing level is a critical metric that ensures our epidemiology criteria are meaningful. Testing is how we detect active infection, which leads to contact tracing and prevention of further disease transmission. Alongside testing to monitor the course of the epidemic, it is vital that healthcare systems are equipped to manage patient care in the context of a surge caused by COVID-19. To establish that hospitals are operating outside of crisis care, one of our metrics measures facility use, staffing, and critical supplies across Dane County hospitals. Given that healthcare workers power healthcare systems, we need to ensure evidence of robust testing of healthcare workers, and sustained low rates of positivity among healthcare workers.

Where we are today: Hospital capacity and testing for health care workers are strengths in Dane County. Hospitals have prepared to implement crisis care, but we have avoided a significant surge of COVID-19 in our healthcare settings. Additionally, the number of new cases among health care workers has been decreasing since its peak in late March.

Public Health

The third aspect of disease containment is our ability to identify and isolate individuals with positive diagnoses in order to prevent further spread. Through rapid contact tracing, we can identify and notify contacts who have been exposed. Through education and isolation assistance, we can help keep people who test positive and their contacts separated from others for the duration of the infectious period, and lower the risk of spread in the community. Monitoring community spread—the percentage of cases with an unidentified risk factor—is how we can gain a sense of the scale of undetected disease spread.

Where we are today: The vast majority of individuals who have a positive diagnosis are contacted by public health staff the same day or the day after their positive test result gets reported however, we still see delays between the time a lab test is done and the time the result is ready and reported to public health. Once cases and their contacts are contacted and informed of isolation procedures, we have the ability to offer various forms of support to those who need it. All of these contact tracing and isolation procedures are most effective when we are able to identify potential routes of disease transmission. This is where we need to make the most progress. We're still seeing cases with no known route of disease transmission, which means there are likely people unknowingly spreading the virus in the community.

Process Measures

In addition to the publicly facing nine metrics, we'll be monitoring process measures when things aren't going well to help us understand where there may be a gap in the system. These process measures look at transmission dynamics (the "R" value of our epidemic), lab result reporting timeliness, outbreak monitoring within priority populations, capacity for supporting isolation/quarantine, and contact attempts of both cases and contacts.

Forward Dane Metric Status

Active monitoring of real-time data-based metrics are critical. If metrics are not being met, mitigation strategies may be needed at the county level, or an even smaller scale (municipality, facility, or business) to address an identified hotspot.

Category Measure			Threshold Metrics	Dane County (May 18, 2020)
Epidemiology	Cases	Below a threshold of 5% for positive tests as a percent of total tests averaged across most recent 14 day period	Green: Below 5% positivity Yellow: 5-10% positivity Red: Above 10% positivity	
	Cases	Below a low incidence threshold of 0.71 new cases per 100,000 people per day (this is below 4 cases per day for Dane County) averaged over most recent 14 day period	Green: Below 4 cases per day Yellow: 4-20 cases per day Red: Greater than 20 cases per day	
Healthcare	Testing	Testing supplies and staff facilitate adequate testing for disease control and surveillance with a goal of 154 tests per 100,000 (this is over 800 tests per day for Dane County) in most recent 14 day period	Green: Greater than 800 tests per day Yellow: 400-800 tests per day Red: Below 400 tests per day	
	Hospital capacity	Robust testing in place for health care workers	Green: 95% of hospitals have arranged for all COVID-19 symptomatic clinical staff treating patients at the hospital in the past week Red: Less than 95% of hospitals have arranged for all COVID-symptomatic clinical staff treating patients at the hospital in the past week	

Public Health	Hospital capacity	Treat all patients without crisis care	Green: 95% of hospitals answer “no” to all 3 questions Facility use status: the facility is damaged/unsafe or non-patient care areas are being used by the facility for patient care Staffing status: trained staff are unavailable or unable to adequately care for the volume of patients even with extension techniques Critical supply status: critical supplies are lacking, resulting in reallocation of life-sustaining resources and/or other extreme operating conditions Red: Yes to one or more questions	
	Hospital capacity	Stable or decreasing numbers of infected health care workers	Green: No significant increase in weekly healthcare worker infections for most recent 14 days Yellow: Significant increase in healthcare worker cases due to a known cluster in a single facility for most recent 14 days Red: Significant increase in new weekly healthcare worker cases for most recent 4 weeks	
	Lab reporting timeliness and contact tracing	All positive cases can be reported and contacted quickly to facilitate rapid isolation and quarantine for disease control	Green: More than 85% of all new cases are contacted within 48 hours of their test collection Yellow: 70-85% of all new cases are contacted within 48 hours of their test collection Red: Fewer than 70% of all new cases are contacted within 48 hours of their test collection	
	Community spread	Proportion of contacted COVID-19 cases who don't know where they could have gotten COVID-19 in most recent 14 day period	Green: Fewer than 20% of cases don't know where they could have gotten COVID-19 Yellow: 20-30% cases don't know where they could have gotten COVID-19 Red: More than 30% cases don't know where they could have gotten COVID-19	
	Surveillance	Stable or decrease of COVID-like syndromic cases reported within most recent 14 day period	Green: No significant increase in COVID-like syndromic cases for most recent 14 days Red: Significant increase in COVID-like syndromic cases for most recent 14 days	

Why a Phased Approach to Reopening is Important

The science of COVID-19 transmission is ever evolving. Research has shown that coughing and sneezing from a person with COVID-19 are highly effective routes of disease transmission. [Emerging research](#) suggests speech droplets generated by asymptomatic carriers are also a potentially important mode of disease transmission.

It is this science that serves as the basis of our phased approach to reopening. Crowded restaurants, open work spaces, indoor and contact sports, facilities where distancing is a challenge, activities with a lot of deep breathing (such as singing)—these areas and activities are inherently more prone to transmission of COVID-19, particularly when a person who has COVID-19 doesn't know it. We also know that populations of color have been disproportionately impacted during this epidemic. A rush to reopen risks furthering inequities if people are placed in unsafe work or community environments.

This is why our phased approach starts carefully to minimize risk of exposure to the greatest extent possible while supporting way to get back to business. With Safer at Home, many of the potential places or activities for transmission to occur weren't happening. As we re-introduce those activities, we must ensure we are still able to identify and contain the number of cases that are likely to result from more people being exposed in more settings.

While we hope that we do not see numbers of cases or deaths increase to the point where we need to move into a more restrictive phase, because so much is unknown with this virus, it is a possibility that we may have to face. That decision, if necessary, will be made using data and science, with the best interest of our community's health in mind, while understanding the economic and emotional impact of moving back and forth.

The following data metrics will be assessed to move through reopening phases:

- If all metrics are at least yellow, move to Phase 1.
- Assess at 14 days after implementation of Phase 1.
 - If more than half of metrics are green and epidemiology criteria are not red, move to Phase 2.
 - If criteria are not met after 14 days, assess regularly until criteria are met.
- Assess at 14 days after implementation of Phase 2.
 - If more than half the metrics in Dane County are green, and no metrics in Dane County or the Southern Region are red, move to Phase 3.
 - If criteria are not met after 14 days, assess regularly until criteria are met.
- Continue in Phase 3 until widespread protections are available.

Phased Reopening Plan

	SAFER AT HOME	PREPARE FOR SAFE REOPEN	PHASE ONE IMPLEMENT	PHASE TWO MAINTAIN	PHASE THREE SUSTAIN	PHASE FOUR NEW NORMAL
Population level disease transmission mitigation	Most Restrictive	Minimal loosening of restrictions to allow businesses to prepare for phased reopening	More Restrictive -----Less Restrictive If localized outbreaks occur, enact all measures possible to stay within current phase. If metrics are not maintained, may have to consider returning to a previous phase.			To be determined
Data metrics to move through phases		If all metrics are at least yellow, move to Phase 1.	Assess at 14 days after implementation of Phase 1. If more than half are green and Epi criteria are not red, move to Phase 2. If criteria are not met after 14 days, assess regularly until criteria are met.	Assess at 14 days after implementation of Phase 2. If more than half the metrics in Dane County are green, and no metrics in Dane County or the Southern Region are red, move to Phase 3. If criteria are not met after 14 days, assess regularly until criteria are met.	Continue in this phase until widespread protections are available.	
Public Health requirements for all phases and sectors	Public Health requirements for all phases and employers - Written and implemented hygiene policy and procedure that includes: - Ensuring employees who have a fever or other symptoms of COVID-19 will not be allowed to work. - Hand washing expectations and supplies available for staff - A description of proper cough and sneeze etiquette - Written and implemented cleaning policy and procedure that includes: - Cleaning and disinfecting frequently touched surfaces multiple times a day - Frequently wiping down any shared equipment, such as work spaces, credit card machines, lunch room items, carts, baskets, etc. - Cleaning common areas and equipment between use or shift changes. - Protocols to clean and disinfect in the event of a positive COVID-19 case - Written and implemented protective measure policy and procedure that includes: - Ensuring people are at least 6 feet from others whenever possible. - Ensuring employees are provided with and wear face coverings when unable to maintain at least 6 feet of distance from people. - If a transparent partition is in place, a face covering is recommended, but not required. - Documented staff receipt, acknowledgement, or training on the policies					

	SAFER AT HOME Dane County Order issued May 13, 2020	PREPARE FOR SAFE REOPEN Dane County Order issued May 18, 2020	PHASE ONE All activities in Phase 1 that cannot maintain physical distancing must take place only with household members. Example: dining, theater	PHASE TWO	PHASE THREE
	Must also follow Public Health requirements in all phases, in addition to sector specific requirements.				

Long-Term Congregate Living

Long-term care facilities	No outside visitors No group activities or communal dining	No outside visitors No group activities or communal dining	No outside visitors No group activities or communal dining	Visitors for compassionate care Screen visitors for symptoms of illness No group activities or communal dining	Screen visitors for symptoms of illness
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Public and Private Schools, Childcare Centers, Summer Programs, and Institutions of Higher Education

K-12 schools	No	No in-person instruction Minimum basic operations and activities approved by Public Health Madison & Dane County	No in-person instruction Minimum basic operations and activities approved by Public Health Madison & Dane County	Yes	Yes
Post-secondary education institutions	Yes, for purposes of facilitating distance learning, performing critical research, or performing essential functions as determined by the institution	Yes, for purposes of facilitating distance learning, performing critical research, or performing essential functions as determined by the institution	Yes, for purposes of facilitating distance learning, performing critical research, or performing essential functions as determined by the institution	Yes	Yes
Child care settings	No more than 10 staff and fewer than 50 children present	No more than 50 children present per license	No interaction between groups/classrooms Groups cannot be larger than 15	No interaction between groups/classrooms Groups cannot be larger than 15	Yes

Businesses, Workplaces, and Faith & Spiritual Communities

Office spaces	Yes, with exemptions	Yes, with exemptions	25% capacity	50% capacity	Yes
Restaurants, bars, & food trucks	Take-out and delivery service	Take-out and delivery service Minimum basic operations to prepare for safe reopen	25% indoor capacity Outdoor seating allowed Space tables at least six feet apart. Limit each table to a maximum of six guests. At bar areas, maintain at least six feet between each household No self-service No customer self-dispensing	50% indoor capacity Outdoor seating allowed Assure spacing requirements (to be defined) No self-service No customer self-dispensing	Outdoor seating allowed Assure spacing requirements (to be defined) No self-service No customer self-dispensing
Essential infrastructure businesses (Such as food production, healthcare, transport, manufacturing, construction, and agriculture, including their corporate offices)	Yes	Yes	Yes	Yes	Yes
Stores that sell groceries and medicine	No dine-in No self-service No customer self-dispensing	No dine-in No self-service No customer self-dispensing	Dine-in capacity 25% No self-service No customer self-dispensing	Dine-in capacity 50% No self-service No customer self-dispensing	Dine-in capacity 75% No self-service
Retail establishments	Mail, delivery, and curbside pick-up operations Stores with outside-facing entrances allowed up to 5 patrons Essential business operating with restrictions	Mail, delivery, and curbside pick-up operations Stores with outside-facing entrances allowed up to 5 patrons Essential business operating with restrictions	25% capacity No sampling of goods (example: food or make-up)	50% capacity No sampling of goods (example: food or make-up)	75% capacity No sampling of goods (example: food or make-up)

Gym/recreational facilities	No	No Minimum basic operations to prepare for safe reopen	25% capacity Basketball courts and other areas where contact sports occur should be closed Saunas and steam rooms closed	50% capacity Basketball courts and other areas where contact sports occur should be closed Saunas and steam rooms closed	75% capacity
Salons, tattoo parlors, and spas	No	Minimum basic operations to prepare for safe reopen	Services provided by appointment only No client should remain in a waiting area prior to receiving services Employees wear face coverings or mask at all times Customers wear face coverings to the extent possible	Services provided by appointment only No client should remain in a waiting area prior to receiving services Employees wear face coverings or mask at all times Customers wear face coverings to the extent possible	Employees wear face coverings or mask at all times Customers wear face coverings to the extent possible
Lodging (Such as hotels, motels, short-term rentals, campgrounds)	Yes	Yes	Yes	Yes	Yes
Community centers & visitor/info centers	No	No Minimum basic operations to prepare for safe reopen	25% capacity	50% capacity	75% capacity
Car washes	Automatic and self-service car washes only	Automatic and self-service car washes only	Automatic and self-service car washes Full service and express detail, exterior only	Yes	Yes
Cleaning services	No, residential Yes, commercial	No, residential Yes, commercial	Yes	Yes	Yes

Exterior home work (aesthetic or optional)	Yes, if it can be done by one person	Yes	Yes	Yes	Yes
Interior home work (aesthetic or optional)	No	No Minimum basic operations to prepare for reopening	Yes	Yes	Yes
Indoor shopping malls	Stores with outside-facing entrances allowed up to 5 patrons Curbside allowed	Stores with outside-facing entrances allowed up to 5 patrons Curbside allowed Minimum basic operations to prepare for reopening allowed	25% capacity	50% capacity	75% capacity
Faith-based services, religious entities, and places of worship (indoor)	Allowed with less than 10 people per room	25% capacity	25% capacity	50% capacity	75% capacity

Recreational Activities

Low contact recreational activities (Such as walking, bike riding, tennis, disc golf, pickle ball, dog parks)		Yes	Yes	Yes	Yes
High risk recreational activities (Such as contact or team sports)	No	Yes, with household members	Yes, with household members	To be determined	To be determined
Outdoor playgrounds & splash pads	No	No	No	Yes	Yes
Indoor playgrounds, funplexes, trampoline parks, miniature golf, and skating rinks	No	No	No	50% capacity	75% capacity
Golf courses	Yes, with restrictions	Yes, with restrictions	Yes, with restrictions	Yes	Yes

Outdoor recreational rentals	Yes, with restrictions	Yes, with restrictions	Yes, with restrictions	Yes	Yes
Licensed swimming pools	No	No Minimum basic operations to prepare for reopening	25% capacity	50% capacity	75% capacity
Indoor places of arts and culture (Such as movie & other theaters, social clubs, museums)	No	No Minimum basic operations to prepare for reopening	25% capacity Minimum 6 feet spacing between groups	50% capacity	75% capacity
Outdoor places of amusement and activity (Such as amusement parks, zoos, miniature golf)	No	No Minimum basic operations to prepare for reopening allowed	25% capacity	50% capacity	75% capacity
Outdoor Entertainment (Such as festivals, carnivals, fairs, concerts)	No	No	25 people maximum (not including employees)	100 people maximum (not including employees)	250 people maximum (not including employees)
Bowling Alleys	No	No	25% capacity Customers must bring their own equipment	50% capacity	75% capacity

Mass or Social Gatherings

Indoor mass gatherings in public venues & private property	No	No	10 people maximum (not including employees) Must maintain physical distancing	50 people maximum (not including employees) Must maintain physical distancing	100 people maximum (not including employees) Must maintain physical distancing
Outdoor mass gatherings in public venues & private property	No	No	25 people maximum (not including employees) Must maintain physical distancing	100 people maximum (not including employees) Must maintain physical distancing	250 people maximum (not including employees) Must maintain physical distancing



VILLAGE BOARD SUMMARY SHEET

MEETING DATE: Monday, June 8, 2020

SECTION: Business

DEPARTMENT: Administration

CONTACT: Matt Schuenke, Village Administrator

AGENDA ITEM: Discussion and action regarding Resolution #2020-15: a resolution to create the Sustainability Committee as a Village standing committee.

PREVIOUS ACTION:

The request to consider this item at this meeting was made by Trustee Clow at the Village Board meeting on May 26, 2020.

The Sustainable McFarland Ad-Hoc Committee had their first meeting on June 2, 2020 (this had been scheduled previously prior to the last Village Board meeting).

ISSUE SUMMARY:

Please find enclosed Resolution 2020-15 which is a resolution to establish Standing Committee that addresses sustainability without our Community. This was prepared by Trustee Clow and requested for discussion/action at our last meeting.

There is presently an Ad-Hoc Committee that was created via Resolution 2020-04 earlier this year that addresses the same topic within a different committee format under our code. The intent of that earlier rendition of this Committee was to create a group that can create a Sustainability Plan for the Village, address whether or not to join the Green Tier Legacy Program, and make a recommendation to the Village Board as to whether and how this group could transition from ad-hoc to standing committee. Both initiatives within the resolution attempt to accomplish the same thing but for the main issue that they would exist under our code for different reason, ad hoc being temporary having a fixed assignment and standing being it will continue undefined under the purview of the Village Board. Under the proposed resolution the tasks also are expanded for the group that can be discussed further within the meeting as desired.

FINANCIAL/BUDGET IMPACT:

In either case the Committee would be staffed by the Community and Economic Development Director. The development of the plan itself has funding in the 2020 Budget that totals \$30,000 for this purpose. These funds have not been expended as of yet as the work begins to start the process to build the plan, likely first step is find a consultant to assist in this endeavor.

VILLAGE PLAN REFERENCE:



None.

ORDINANCE REFERENCE:

Article III of Chapter 2 within the Village Code of Ordinances details the General Procedures Applying to Statutorily Authorized Village Authorities, Boards, Committees, Commissions, and Standing Committees. The full text is enclosed in your packet for review. This provides for the general makeup and definition for Standing Committees while Article V of the same chapter details each of these different established groups and what their responsibilities are, this differs from group to group.

Section 2-481 under Article VI defines Special Committees as either an Ad hoc or Subcommittee. Sub (a) states that an Ad hoc Committee is "a special committee created for a limited duration to study a narrowly defined issue and make an advisory recommendation to the Village Board". Sub (b) states that a Subcommittee is a special working Committee created to advise an authority, board, commission, or standing committee on a narrow issue or range of issues". All of Article VI is enclosed as well.

Sustainable McFarland was created as an Ad hoc Committee. The board likely recognized that sustainability was not a narrow issue. In fact its reach is quite broad. By creating the Ad hoc Committee for this purpose the board assigned them specific tasks to work on within the resolution that created this group, the first two of those tasks would need to be considered and completed anyway regardless of the format that was established for the Committee. The third task though was an important consideration for the board as it desired to learn from the members where they felt they fit within the range of boards, commissions, and committees already in place so that if they were to be created as a standing committee they wanted the role to be defined and meaningful. This is simply Staff's interpretation of what has transpired to date as part of past discussions as well as how these issues are intertwined within our code.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

This item is presented for discussion as requested by Trustee Clow.

ATTACHMENTS:

1. 2020-15 Resolution to Create Standing Sustainability Committee 05262020 CLOW
2. 2020-04 To Create an Ad-Hoc Committee to Create a Plan for and Study of Sustainability within the Village of McFarland
3. Article III - General Procedures
4. Article V - Standing Committees
5. Article VI - Special Committees

**RESOLUTION #2020-15 A RESOLUTION TO CREATE A STANDING SUSTAINABILITY COMMITTEE WITHIN
THE VILLAGE OF MCFARLAND**

WHEREAS, the Village of McFarland is committed to creating a vibrant future for our Community by taking responsible and effective action to be a positive influence on our environment;

WHEREAS, it is clear that environmental challenges will define this century and future generations as it impacts all aspects of our everyday lives;

WHEREAS, the Village Board for the Village of McFarland feels it has the responsibility to carry out Village operations in a sustainable manner and to facilitate environmental sustainability initiatives for individual citizens and businesses within the Community; and

WHEREAS, it is desired to create a Committee of residents of this Village and village trustees to work on issues of sustainability and climate change in the Village.

NOW, THEREFORE BE IT RESOLVED, that the Village Board of the Village of McFarland, Dane County, Wisconsin, does hereby create the Sustainability Committee and establishes the following conditions regarding its implementation:

1. The Sustainability Committee be formed in accordance with definition and requirements outlined in Section 2-481(xxx) of the McFarland Municipal Code.
2. Membership of the Sustainability Committee be made up of Residents of the Village of McFarland to be appointed by the Village President subject to confirmation by the Village Board. Additionally, the Village President shall appoint the Chairperson of the Ad-Hoc Committee subject to confirmation by the Village Board.
3. Sustainability Committee shall be tasked with the following:
 - a. Work with the Public, Village Staff, Consultants, and others to draft and development a Sustainability Plan for implementation in McFarland.
 - b. Provide annual evaluations of the sustainability plan.
 - c. Work on initiatives contained in the sustainability plan.
 - d. Provide educational opportunities for staff, citizens and the business community around the issue of environmental sustainability.
 - e. Provide additional opportunities for the village, citizens and businesses to get access to programs for sustainability and funding for sustainability projects.
4. Sustainable Committee will advise the Village Board on issues of sustainability for the Village.
5. Staff Support for the Sustainability Committee will be led by the Community and Economic Development Director as well as other support as needed from the Village Administrator, Department Heads, and Village Staff.

The above and foregoing Resolution was duly adopted at a regular meeting of the McFarland Village Board on XXX, 2020.

RESOLUTION #2020-04

A RESOLUTION TO CREATE AN AD-HOC COMMITTEE TO CREATE A PLAN FOR AND STUDY OF SUSTAINABILITY WITHIN THE VILLAGE OF MCFARLAND

WHEREAS, the Village of McFarland is committed to creating a vibrant future for our Community by taking responsible and effective action to be a positive influence on our environment;

WHEREAS, it is becoming increasingly clear that sustainable challenges will define this century and future generations as it impacts all aspects of our everyday lives;

WHEREAS, the Village Board for the Village of McFarland feels it has the responsibility to develop appropriate plans to help guide these sustainable courses of action within the Community; and

WHEREAS, it is desired to create an Ad-Hoc Committee of residents of this Village to study sustainability within McFarland and make recommendations to the Village Board to help guide in the decision making process.

NOW, THEREFORE BE IT RESOLVED, that the Village Board of the Village of McFarland, Dane County, Wisconsin, does hereby create the Sustainable McFarland Ad-Hoc Committee and establishes the following conditions regarding its implementation:

1. The Sustainable McFarland Ad-Hoc Committee be formed in accordance with definition and requirements outlined in Section 2-481(a) of the McFarland Municipal Code.
2. Membership of the Sustainable McFarland Ad-Hoc Committee be made up entirely of Residents of the Village of McFarland to be appointed by the Village President subject to confirmation by the Village Board. Additionally, the Village President shall appoint the Chairperson of the Ad-Hoc Committee subject to confirmation by the Village Board. A minimum of 5 Residents and a maximum of 9 Residents will compose the membership of the Committee.
3. Sustainable McFarland Ad-Hoc Committee shall be tasked with the following:
 - a. Work with the Public, Village Staff, Consultants, and others to draft and develop a Sustainability Plan for implementation in McFarland. This plan will address sustainability in order to incorporate elements of the natural environment, local economic vitality, and a healthy Community.
 - b. Evaluate and make recommendations on the Village joining the Wisconsin Department of Natural Resources Green Tier Program.

c. At the conclusion of all work, make a recommendation to the Village Board regarding Sustainable McFarland Ad-Hoc Committee being established with the McFarland Village Code of Ordinances as a Standing Committee.

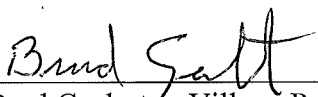
4. Sustainable McFarland Ad-Hoc Committee will be advisory in nature and serve under the direction supervision and discretion of the Village Board.

5. Sustainable McFarland Ad-Hoc Committee will make its recommendation by May 1, 2021 unless otherwise extended by the Village Board. Further, the Committee will make progress reports at least every 3 months following the scheduling of their first meeting.

6. Sustainable McFarland Ad-Hoc Committee will be supported by the Community and Economic Development Director as well as other support as needed from the Village Administrator, Department Heads, and Village Staff.

The above and foregoing Resolution was duly adopted at a regular meeting of the McFarland Village Board on January 13, 2020.

APPROVED:


Brad Czebotar, Village President

ATTEST:


Cassandra Suettinger, Village Clerk-Treasurer

RESOLUTION # 2020-02	
MOTION	SECOND
Czebotar	Brassington
ACTION	DATE
Adopted	01/13/2020
Referred	
Tabled	
Withdrawn	
Defeated	
Published	
INDIVIDUAL VOTING RECORD	
Adrian – Aye	Kryzenske – Aye
Brassington – Aye	Lytle – Aye
Czebotar – Aye	Utter – Aye
Kolk – Aye	
VOTING RESULTS	
Motion Carried	7 – 0 – 0 P
Motion Defeated:	

ARTICLE III. - GENERAL PROCEDURES APPLYING TO STATUTORILY AUTHORIZED VILLAGE AUTHORITIES, BOARDS, COMMITTEES, COMMISSIONS, AND STANDING COMMITTEES

Sec. 2-182. - Application.

The following general procedures shall apply to all statutorily authorized Village authorities, boards, committees, commissions, and standing committees except where a different procedure is specified by ordinance.

Sec. 2-183. - Composition.

- (a) The composition of each statutorily authorized Village authority, board, committee and commission shall be as set forth in Article IV.
- (b) The composition of each standing committee shall be no less than five members and shall include one Village Trustee to serve as chairperson and one Village Trustee to serve as vice-chairperson and not less than three citizen members, the only exception being the Public Utilities Committee which shall have five citizen members.

Sec. 2-184. - Residency required for service on statutorily authorized authorities, boards, committees, commissions, and standing committees.

No person not a resident of and not residing in the Village shall be appointed in a voting capacity to any statutorily authorized Village authority, board, committee, commission, and standing committee except the Emergency Management Committee and the Library Board. Any member of a statutorily authorized authority, board, committee, commission, and standing committee who moves from the Village shall be removed from such statutorily authorized authority, board, committee, commission, and standing committee, but may be appointed to serve in an ex officio capacity.

Sec. 2-185. - Appointments.

- (a) All regularly occurring vacancies on each statutorily authorized authority, board, committee, commission, and standing committee shall be filled by appointment of the Village President, subject to confirmation by the Village Board, except where a different procedure is specified by ordinance, including but not limited to:
 - (1) Article IV, Division 8 of this Chapter—Library Board; and
 - (2) Article IV, Division 9 of this Chapter—Plan Commission.
- (b) Appointments to each statutorily authorized authority, board, committee, commission, and standing committee shall be made at the annual meeting of the Village Board in April, or as soon thereafter as possible, and at such other times as vacancies may occur.
- (c) The chairperson of each standing committee shall promptly submit to the Village President a list of persons proposed to fill any citizen member vacancies or reappointments and the Village President shall generally make appointments or re-appointments from that list, subject to confirmation by the Village Board.

Sec. 2-186. - President to designate chairpersons.

The Village President shall appoint the chairperson of the statutorily authorized authorities, boards, committees, commissions, and standing committees in accordance with the procedures set forth in the appropriate ordinances and statutes, except that the members of the Board of Review, Community Development Authority, Ethics Board, Library Board, and Police and Fire Commission shall select their own chairperson and such other officers as deemed necessary.

Sec. 2-187. - Committee membership.

- (a) All Village Trustees shall serve on at least one standing committee.
- (b) The Village President and Village Administrator shall be ex officio members of each standing committee.
- (c) The Village President may be appointed to serve as chairperson or as a member of a specific committee.

Sec. 2-188. - Attendance.

The chairperson of each statutorily authorized authority, board, committee, commission, and standing committee shall maintain a record of the attendance of the members at meetings. Any member who must miss a meeting shall give prior notice of the absence to the chairperson. Failure to attend regularly scheduled meetings four times in any year, commencing from the annual organizational meeting, shall be deemed to be an event by which the member or chairperson vacates the position to which the member or chairperson was appointed. The Village Clerk-Treasurer shall notify the chairperson of any vacancies created by absences, and confirm the vacancy in writing to the former member, chairperson, and the Village President.

(Ord. No. 2017-12, § 19, 6-26-2017)

Sec. 2-189. - Powers and duties.

- (a) Statutorily authorized authorities, boards, committees and commissions shall have the powers and duties assigned by ordinance or statute as described or prescribed in Article IV of this Chapter.
- (b) Standing committees shall review such matters as may be referred to them by the Village Board and shall submit advisory recommendations within their jurisdiction for Village Board action. All standing committees as described in Article V of this Chapter are subunits of the Village Board and perform no executive or administrative Village function other than as specifically authorized by ordinance or policy adopted by the Village Board.
- (c) No statutorily authorized authority, board, committee, commission, and standing committee shall assume responsibility for the administration of any Village department except for the Library Board.
- (d) In case of ambiguity or apparent conflict between the preceding definition of standing committee authority and a definition of the authority of a Village officer, employee, board, or association, the latter shall prevail.

Sec. 2-190. - Quorum.

A quorum exists whenever one more than half of the number of members of a statutorily authorized authority, board, committee, commission, and standing committee meeting are present. Any meeting will adjourn ten minutes after the noticed starting time if no quorum is present.

Sec. 2-191. - Meetings and public notice.

- (a) *Compliance with open meetings law.* Any meeting of a statutorily authorized authority, board, committee, commission, and standing committee shall be conducted in compliance with the Wisconsin Open Meetings Law. All meetings shall be open to the public unless falling within a lawful exception pursuant to Wis. Stats. § 19.81.
- (b) *Public notice.* For every regular meeting of a statutorily authorized authority, board, committee, commission, and standing committee the Village Clerk-Treasurer or designee, shall:
 - (1) Schedule a date, time and place for its meetings;
 - (2) Post an agenda of the matters to be taken up at such meeting and notify the official Village newspaper in advance of each such regular meeting of the date, time, subject matter and place thereof;
 - (3) Place the agenda on the official Village website;
 - (4) When necessary, publish notice in the official Village newspaper in compliance with state law;
- (c) *Special meetings.* Nothing in Subsection (a) of this Section shall preclude the calling of a special meeting or dispensing with the publication of notice or such posting of the agenda, for good cause, but such special meetings shall nonetheless comply in all respects with the provisions of Wis. Stats. §§ 19.81 and 19.89.

(Ord. No. 2017-12, § 20, 6-26-2017)

Sec. 2-192. - Minutes and Reports.

- (a) The recorder of each statutorily authorized authority, board, committee, commission, and standing committee shall file a copy of the meeting minutes of such statutorily authorized authority, board, committee, commission, and standing committee with the Village Clerk-Treasurer prior to the next regularly scheduled meeting of such statutorily authorized authority, board, committee, commission, and standing committee. The meeting minutes shall include the date, time, and place of the meeting and the members attending; report on all agenda items; and provide all necessary historical background to familiarize the Village Board with the issue. Approved minutes are deemed to be the product of the entire statutorily authorized authority, board, committee, commission, and standing committee, whether any item therein is approved unanimously or not.
- (b) If a Village Trustee member on a particular statutorily authorized authority, board, committee, commission, and standing committee disagrees with the position taken by that body on an issue, such member may address the Village Board with the minority position only if the member notifies the statutorily authorized authority, board, committee, commission, and standing committee, either at the meeting or by written notice after the meeting, that such member intends to support the minority position before the Village Board. Upon such notification, the Village Board shall permit one statutorily authorized authority, board, committee, commission, and standing committee member supporting the majority position equal time to address the Village Board on such issue.

(Ord. No. 2017-12, § 21, 6-26-2017)

Sec. 2-193. - Cooperation of Village officers.

All Village officers shall, upon request of the chairperson of any statutorily authorized authority, board, committee, commission, and standing committee, confer with that body and supply, within a reasonable time, such information as that body may request upon any pending matter. Information requests requiring considerable staff time or financial resources require prior approval of the Village Board.

Secs. 2-194—2-204. - Reserved.

ARTICLE V. - STANDING COMMITTEES

DIVISION 1. - GENERALLY

Sec. 2-347. - Established.

The following is a list of standing committees of the Village:

- (1) Communications and Technology Committee.
- (2) Finance Committee.
- (3) Natural Resources Committee.
- (4) Parks and Recreation Committee.
- (5) Personnel Committee.
- (6) Public Safety Committee.
- (7) Public Utilities Committee.
- (8) Public Works Committee.
- (9) Senior Outreach Services Committee.
- (10) Volunteer Committee.

(Ord. No. 2013-08, § 1, 9-9-2013)

Secs. 2-348—2-357. - Reserved.

DIVISION 2. - COMMUNICATIONS AND TECHNOLOGY COMMITTEE

Sec. 2-358. - Jurisdiction.

The Communications and Technology Committee sets policies and oversees the administration, operations, and programming of the Village's cable channel. The Communications and Technology Committee also oversees the operation of the Village's website and major purchases of computer hardware and software.

Sec. 2-359. - General Provisions.

The provisions of Wis. Stats. § 66.0420 are hereby incorporated as though fully set forth herein. The additional provisions of this Chapter supplement those provisions of the state statutes and constitute an expression of the Village's home rule authority. Any person who owns, leases, operates, controls, constructs or maintains a video service or cable television service shall comply at all times with the provisions herein when constructing, operating or maintaining a video service or cable television service in the Village.

Sec. 2-360. - Definitions.

The terms used in this Chapter shall have the same meaning as those terms are defined in Wis. Stats. § 66.0420(2), which is incorporated as though fully set forth herein.

Sec. 2-361. - Video service provider fee and PEG channel monetary support.

- (a) *Video service provider fee.* Video service providers and cable operators shall pay, in addition to the PEG support fee set forth in Subsection (b) of this Section, a video service provider fee to the Village in an amount equal to five percent of the provider's gross receipts.
- (b) *Public, educational and government (PEG) channel monetary support.* Video service providers and cable operators shall pay, in addition to the video service provider fee set forth in Subsection (a) of this Section, a monthly fee of \$0.25 per subscriber, which payment shall be used to fund PEG access related external costs. The allocation of the PEG channel monetary support fee between public access and government access activities/channels shall be at the sole discretion of the Village and which allocation the Village may alter at any time and without notice.
- (c) *Supporting documentation.* Payment of the fees set forth in Subsections (a) and (b) of this Section shall be accompanied by documentation verified by an agent or officer with the authority to legally bind the provider that is sufficient for the City to verify the accuracy of the fees being paid by the provider. The failure to provide such documentation shall subject the provider to a forfeiture of not less than \$100.00 nor more than \$5,000.00 per day until such time the documentation is provided to the Village.

Sec. 2-362. - Peg channel requirements.

- (a) *Number of PEG channels.* Video service providers and cable operators shall provide capacity for three PEG channels. These channels shall be allocated as follows: one specifically designated for the McFarland Cable Channel for the operation by the Village of a governmental access channel; one channel dedicated for use by WYOU, which is operated as a public access channel by WYOU Community Television Inc., and one channel dedicated for use as an educational access channel by the McFarland School District.
- (b) *Location of PEG channels.* PEG channels must be carried on any service tier that is viewed by more than 50 percent of the video service provider's or cable operator's customers. Video service providers or cable operators may not charge an extra fee nor require the rental of special equipment in order for their customers to view such PEG channels if such fees or equipment are not required to view any of the non-PEG channels on such service tiers.
- (c) *Quality of PEG channels.* Video service providers and cable operators shall not carry a PEG television signal in a lesser format or lower resolution than that afforded to a nonbroadcast digital programmer carried on the video or cable system. The signal quality of PEG channels shall be indistinguishable or better than the signal of other non-PEG channels carried by the video service provider or cable operator.
- (d) *Drops/origination points.* Video service providers and cable operators shall apply and maintain upstream capacity from all current origination points (a/k/a "live drops") and shall provide sufficient capacity for carriage of a television signal from each of these origination points at all times. These origination points are all located in the Village as follows:
 - (1) McFarland Municipal Center; 5920 Milwaukee Street;
 - (2) E.D. Locke Public Library; 5920 Milwaukee Street;

- (3) McFarland High School; 5101 Farwell Street;
 - (4) Indian Mound Middle School; 6330 Exchange Street;
 - (5) Madison Curling Club; 4802 Marsh Road.
- (e) *Substantial utilization of PEG channels and PEG programming.*
- (1) *Procedures for disconnection due to failure to substantially utilize PEG channel.*
 - a. *Written notice of objection to program as not locally produced.* A video service provider or cable operator must provide written notice to the PEG channel director within ten days of the first or original airing of any program that the video service provider or cable operator is objecting to the program as having not been locally produced. Such notice shall describe with particularity the program being objected to, the date and time the program was first aired and the factual basis supporting the objection. Failure to timely provide this notice waives the objection and, therefore, such program will be counted towards the determination of whether said PEG channel is being substantially utilized.
 - b. *Written notification of failure to substantially utilize channel.* A video service provider or cable operator must provide written notification to any PEG channel director within ten days following any week in which the video service provider or cable operator objects that the PEG channel has not been substantially utilized. Such notice shall describe with particularity the time period being objected to, the dates and times during the week in which qualifying programming was not aired and the factual basis supporting the objection. Failure to timely provide this notice waives the objection and, therefore, such programming period will be counted towards the determination of whether said PEG channel is being substantially utilized.
 - c. *Written notification of intention to disconnect, reprogram or drop PEG channel.* A video service provider or cable operator must provide 120 days' advance written notification to any PEG channel director that the video service provider or cable operator intends to disconnect, reprogram or drop. A video service provider or cable operator may not disconnect, reprogram or drop any PEG channel that it has not timely provided with such written notice. Furthermore, should any PEG channel director provide the video service provider or cable operator with a written response that the PEG channel was substantially utilized by the municipality, the video service provider or cable operator shall not disconnect, reprogram or drop the PEG channel.
 - d. *Penalty for failing to provide notice.* If any video service provider or cable operator disconnects, reprograms or drops any PEG channel without providing the notice as required in Subsections (e)(1)a through c of this Section the video service provider or cable operator shall be subject to the following:
 - 1. Immediate reinstatement of the PEG channel to its location in the channel line-up prior to the disconnection, reprogramming or dropping of the channel.
 - 2. The issuance of a citation demanding a forfeiture of not less than \$1,000.00 nor more than \$10,000.00 for each day that the PEG channel is disconnected, reprogrammed or dropped.
 - (2) *Locally produced programming.* Locally produced programming shall include all programming produced by any PEG channel and shall include all programming that has not been commercially aired. "Locally produced programming" includes any program that was in part produced for original

airing in the broadcast market in which it was produced either in part or in whole. The term "locally produced" shall not require that the programming was created, filmed or produced in the McFarland or Dane County area. PEG stations may share and exchange programming content in order to meet the substantial utilization requirements of Wis. Stats. § 66.0420(5)(b).

- (f) *Underwriting of Programming.* PEG channels may transmit noncommercial programming to subscribers generally or specific recipients of video service providers or cable operators. Nothing herein shall in any way prohibit or prevent PEG channels from accepting grants or sponsorships in support of such programming nor shall PEG channels be prohibited from acknowledging such grants or sponsorships before, during or immediately after such PEG programming has been broadcast in a manner that is similar to the manner in which the Public Broadcasting System (PBS) acknowledges the substantially similar support of its programming content. Such acknowledgements shall comply with the requirements of 47 USC 399b as though the PEG channel was a public broadcast station.
- (g) *Notice of intention to move PEG channel locations/designations.* Any video service provider or cable operator who intends to move any PEG channel from the channel designations may only make such a change after providing 60 days' advance written notice to the affected PEG channel. Additionally, such video service provider or cable operator shall engage in a public education program of such intensity and duration as to reasonably inform the general public of the proposed PEG channel designations.

Sec. 2-363. - Police powers, design/construction standards and rights-of-way.

- (a) *Subject to police powers.* Video service providers and cable operators are subject to the police power of the Village to adopt and enforce general ordinances necessary to the safety, health and welfare of the public. The grant of a statewide video or cable franchise does not render or to any extent lose, waive, impair or lessen the lawful powers and rights, now or hereafter vested in the Village under the Constitution and statutes of the state to regulate the use of streets and public ways or to regulate any matter affecting the safety, health and welfare of the public. The Village shall make the video service provider's and cable operator's history of compliance with such codes and ordinances available to the Department of Financial Institutions so that the Department of Financial Institutions may determine the provider or operator's legal, financial and technical qualifications to provide video services.
- (b) *Design, permits, construction and excavation.* Video service providers and cable operators shall comply with all applicable Village codes and ordinances including, without limitation by expression herein, Section 53-122, and shall be subject to any forfeitures so specified for any violations thereof. The Village shall make the person's history of compliance with such codes and ordinances available to the Department of Financial Institutions so that the Department of Financial Institutions may determine the provider's or operator's legal, financial and technical qualifications to provide video services.

Secs. 2-364—2-373. - Reserved.

DIVISION 3. - FINANCE COMMITTEE

Sec. 2-374. - Jurisdiction.

The Finance Committee advises the Village Board on annual operating and capital budgets, municipal borrowing, fiscal policies, investment policies, and purchasing procedures.

Secs. 2-375—2-384. - Reserved.

DIVISION 4. - PARKS, RECREATION AND NATURAL RESOURCES COMMITTEE

Footnotes:

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Editor's note— Section 1 of Ord. No. 2014-09, adopted May 27, 2014, repealed former Div. 4 in its entirety, and enacted new provisions to read as herein set out. Former Div. 4, § 2-385 pertained to the Natural Resources Committee.

Sec. 2-385. - Jurisdiction.

The Parks, Recreation and Natural Resources Committee advises the Village Board on the acquisition, management, enhancement, and public use of natural and conservancy areas, policies and practices directed at maintenance of a healthy and diverse urban forest, the planning, acquisition and development of parks and park facilities and the nature and structure of recreation programs.

(Ord. No. 2014-09, § 1, 5-27-2014)

Secs. 2-386—2-395. - Reserved.

DIVISION 5. - RESERVED

Footnotes:

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Editor's note— Section 2 of Ord. No. 2014-09, adopted May 27, 2014, repealed former Div. 5, § 2-396, which pertained to the Parks and Recreation Committee. See Div. 4.

Secs. 2-396—2-406. - Reserved.

DIVISION 6. - PERSONNEL COMMITTEE

Sec. 2-407. - Jurisdiction.

The Personnel Committee advises the Village Board on personnel policies, changes in organization structure and classification and compensation plans.

Secs. 2-408—2-417. - Reserved.

DIVISION 7. - PUBLIC SAFETY COMMITTEE

Sec. 2-418. - Jurisdiction.

The Public Safety Committee advises the Village Board on policy issues relating to the operations of the Police Department, and the Fire and Emergency Medical Services Department, matters involving licensing and regulation, ordinances controlling public offenses and nuisances, and matters of public health.

(Ord. No. 2013-14, § 1, 11-11-2013)

Secs. 2-419—2-428. - Reserved.

DIVISION 8. - PUBLIC UTILITIES COMMITTEE

Sec. 2-429. - Composition.

The Public Utilities Committee shall consist of seven voting members, two of whom shall be Village Trustees. In addition, the Director of Public Works shall be an ex officio member of the Public Utilities Committee, without voting rights. The five citizen members shall be persons of recognized experience and qualifications.

Sec. 2-430. - Appointment.

- (a) *Village Trustee members.* The Village Trustee members of the Public Utilities Committee shall be appointed annually by the Village President subject to the approval of the Village Board at the organizational meeting of the Village Board.
- (b) *Citizen members.* The citizen members shall be appointed by the Village President, subject to Village Board approval, at the organizational meeting. The term of each citizen member shall be for a staggered term of five years, and the Village President shall annually, subject to the approval of the Village Board at its organizational meeting on the third Tuesday of April, appoint one member of the Public Utilities Committee for a term of five years. In case of vacancy, the Village President may, subject to the approval of the Village Board, at any regular or special meeting, appoint a member for the unexpired term.
- (c) *Officers.* The Village President, subject to the confirmation of the Village Board, shall select from among the Village Trustee members of the Public Utilities Committee a chairperson and vice-chairperson.

Sec. 2-431. - Meetings.

The Public Utilities Committee may make rules for its own proceedings and for the governing of the utilities. It shall keep books of account in the manner and form prescribed by the Wisconsin Public Service Commission, which shall be open to the public. The Public Utilities Committee shall have the general management and supervision of the Village water, sewer and stormwater utilities, and all matters connected therewith, and shall have the general power and authority to make rules and regulations for the management of said utilities as it shall from time to time find necessary for the safe, economical and efficient management and protection of said utilities.

Sec. 2-432. - Powers and duties.

- (a) *Finances.* The Public Utilities Committee will be responsible for preparing and recommending an annual budget to the Village Board reflecting needed expenditures and anticipated revenues, as well as preparing and modifying stormwater rates and filing water rate modification requests with the Wisconsin Public Service Commission when sound business practices deem it appropriate.
- (b) *Long-range planning.* The Public Utilities Committee shall prepare, adopt and, as necessary, amend a long-range plan projecting the needs for the Village utilities in the future, in areas of fiscal responsibility, personnel, new construction and scheduled maintenance practices.

Sec. 2-433. - Auditing expenditures.

The Village Treasurer shall provide a monthly statement to the Public Utilities Committee of the expenditures, revenues and fund balances relating to utility operations.

Sec. 2-434. - Construction.

The Public Utilities Committee shall receive reports from the Director of Public Works, who shall supervise and superintend the installation of all new machinery, wells, reservoirs, mains, transmission, collection and distribution and service pipes, as well as any repairs or reconstructions of the same or any part thereof. All work of this nature shall be let by contract under supervision of the Director of Public Works.

Sec. 2-435. - Maps and records.

The Village Engineer shall prepare maps showing the locations of all mains and service pipes ordered to be laid, with reference to the property lines of the street, court or alley in which the same are to be laid, and also with reference to the established grade of said street, court or alley. After sewer, stormwater or water mains and service pipes shall have been laid, the Village Engineer shall see to it that maps indicate the exact location of said sewer, stormwater and water mains and service pipes as actually laid. The Director of Public Works or designee shall cause a record of the exact location of said sewer, stormwater and water pipes and mains to be transcribed in record books, electronic maps or records kept on file for that purpose in the Village offices.

Sec. 2-436. - Overall responsibility.

In fulfillment of its duties, the Public Utilities Committee shall forward its recommendations relating thereto to the Village Board for final action. The Village Board may accept, reject or re-refer the recommendations of the Public Utilities Committee back to the Public Utilities Committee for further action.

Sec. 2-437. - Management, operation and control.

- (a) *Management.* The management, operation, and control of the public water system, sewer system, and storm water system for the Village shall be vested in the Village Board. All records, minutes and all written proceedings thereof shall be kept by the Village Clerk-Treasurer. The Village Clerk-Treasurer or designee shall keep all the financial records thereof.
- (b) *Construction authority.* Subject to the approval of the Village Board, the Public Utilities Committee shall have the power to construct water and sewer lines for public use, and shall have the power to lay water, stormwater and sewer pipes in and through the public alleys, streets, and public grounds located within

the Village; and generally, to do all such work as may be found necessary or convenient in the management of the water, stormwater and sewer systems. The Public Utilities Committee shall have power by itself, its officers, agents and servants, to enter upon any land in the Village for the purpose of making examination or supervise in the performance of their duties under this Section, without liability therefor; and the Public Utilities Committee shall have the power to purchase and acquire for the Village subject to the approval of the Village Board all real and personal property which may be necessary for construction of the water, stormwater and sewer system, or for any repair, remodeling, or additions thereto.

(Ord. No. 2017-12, § 26, 6-26-2017)

Secs. 2-438—2-447. - Reserved.

DIVISION 9. - PUBLIC WORKS COMMITTEE

Sec. 2-448. - Jurisdiction.

The Public Works Committee advises the Village Board on policies and programs involving the maintenance and construction of Village facilities, streets and sidewalks, solid waste management and recycling, and the maintenance and acquisition of public works vehicles and equipment.

Secs. 2-449—2-458. - Reserved.

DIVISION 10. - SENIOR OUTREACH SERVICES COMMITTEE

Sec. 2-459. - Jurisdiction.

The Senior Outreach Services Committee advises the Senior Outreach Services Department on the services that it provides to residents over the age of 60 and to disabled adults. These services include outreach, case management, congregate and home delivered meal programs, foot care clinics, and education/entertainment programming.

Sec. 2-460. - Reserved.

DIVISION 11. - VOLUNTEER COMMITTEE

Sec. 2-461. - Jurisdiction.

The Volunteer Committee advises the Village Board on policies relating to a formal program to encourage volunteer participation in activities for the benefit of the Village and its residents.

(Ord. No. 2013-08, § 2, 9-9-2013)

Sec. 2-462. - Powers and duties.

- (a) The Volunteer Committee shall be persons with interest in volunteer programs for the Village and the ability to help implement and manage the Village volunteer programs.
- (b) The Volunteer Committee shall provide general oversight concerning the administration, operations and programming of the Village's volunteer program.
- (c) The Volunteer Committee shall nominate a volunteer coordinator subject to the Village Board's approval, who shall supervise and monitor volunteer work, training, leadership in volunteer activities and recognition for outstanding volunteer service to the Village.
- (d) The Volunteer Committee shall recommend to the Village Board policies that will expand the variety of significant community service choices for volunteers and oversee recruiting of volunteers to fulfill these needs.

(Ord. No. 2013-08, § 2, 9-9-2013)

Secs. 2-463—2-480. - Reserved.

ARTICLE VI. - SPECIAL COMMITTEES

Sec. 2-481. - Definitions.

The following words, terms and phrases, when used in this Section, shall have the meanings ascribed to them in this Subsection, except where the context clearly indicates a different meaning:

- (a) *Ad hoc committee*. A special committee created for a limited duration to study a narrowly defined issue and make an advisory recommendation to the Village Board.
- (b) *Subcommittee*. A special working committee created to advise an authority, board, commission, or standing committee on a narrow issue or range of issues.

Sec. 2-482. - Purpose.

The purpose of the policy regarding the establishment of and appointment of members to ad hoc committees and subcommittees is to ensure that the Village Board understands and agrees with the rationale for the establishment of ad hoc committees or subcommittees and reviews the recommended appointments of committee members to provide an appropriate representation of the community.

Sec. 2-483. - Policy.

The proposed creation of any ad hoc committee or subcommittee shall be subject to the approval of the Village Board. In approving the establishment of such a committee the Village Board shall identify the charge, duration and scope of authority of the committee; determine the number of committee members and designate any particular segments of the community to be represented on the committee. The appointment of members to the newly established committee shall be subject to confirmation by a majority vote of the Village Board. The existence of an ad hoc committee or subcommittee may be terminated at any time by majority vote of the Village Board.

Sec. 2-484. - Responsibility and authority.

Any member of the Village Board may recommend the establishment of an ad hoc committee or subcommittee. If the creation of the new committee is approved by the Village Board, the Village President shall recommend the appointment of a chair subject to confirmation by the Village Board. The appointed chair shall then recommend, subject to confirmation by the Village President, the appointment of individual members to the ad hoc committee or subcommittee.

Secs. 2-485—2-507. - Reserved.



VILLAGE BOARD SUMMARY SHEET

MEETING DATE: Monday, June 8, 2020

SECTION: Business

DEPARTMENT: Administration

CONTACT: Matt Schuenke, Village Administrator

AGENDA ITEM: Discussion and action regarding Resolution #2020-16: a resolution to join the Green Tier Program through the Wisconsin Department of Natural Resources.

PREVIOUS ACTION:

The Committee of the Whole reviewed this item at its meeting on January 14, 2019. The Village Board hosted a presentation from the DNR on this topic on January 28, 2019. The Committee of the Whole discussed this topic (and the topic of creating a Sustainability Committee) again at its meeting on March 25, 2020 where it was decided more research was needed to reach a decision on either item. One of the concerns at that time was where would the responsibility for this work fall. Also at that same meeting we were working on beginning the recruitment for the Community and Economic Development Director Position and job duties for sustainability were built into that position description. The position was filled in the Fall of 2019 and in early 2020 the Ad hoc Committee was created to further evaluate the issue.

The request to consider this item at this meeting was made by Trustee Clow at the Village Board meeting on May 26, 2020.

ISSUE SUMMARY:

Trustee Clow has requested this item for discussion from our last meeting. The Green Tier Program is administered through the Wisconsin Department of Natural Resources helping to provide information, sharing best practices, grants, and all things sustainable for its member municipalities. This was previously considered by the Village Board in 2018 into 2019 via a very similar (if not the same resolution language) as part of this program. Included is some additional information from the last time this was considered. Additionally more information is available through their link at <https://greentiercommunities.org/>.

This is a task for the Sustainable McFarland Ad hoc Committee to consider and make a recommendation to the Village Board on as part of the resolution that was previously authorized and discussed in this meeting. Again, the intent was for that group to review the issue and consider the impacts of being part of such a group including the benefits that it provides and potential cost implications (up or down) it could bring. A presentation by the DNR to the Committee is tentatively scheduled for July to advance this task and begin that process.



FINANCIAL/BUDGET IMPACT:

The program itself is of no cost to join. What decide to do as a result of what the program recommends and the costs associated will have to be evaluated as they develop.

VILLAGE PLAN REFERENCE:

None.

ORDINANCE REFERENCE:

None.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

Presented for discussion and action as requested by Trustee Clow.

ATTACHMENTS:

1. 2020-16 Resolution to Join Green Tier Legacy Communities 05262020 CLOW
2. Pages from 01.14.19 COW Packet

**RESOLUTION #2020-16 RESOLUTION APPROVING PARTICIPATION IN THE WISCONSIN DEPARTMENT
OF NATURAL RESOURCES GREEN TIER LEGACY COMMUNITY PROGRAM.**

WHEREAS, the Wisconsin Department of Natural Resources in partnership with the League of Wisconsin Municipalities, 1,000 Friends of Wisconsin, Wisconsin Energy Conservation Corp, Center on Wisconsin Strategy, Wisconsin Counties Association and the cities of Appleton, Bayfield, Fitchburg, Middleton, Ashland, Monona, Eau Claire, Bayside, Port Washington, Sheboygan, La Crosse and the Village of Weston have created a Green Tier Charter For Legacy Communities with goals of:

1. To assist (municipalities, counties) in achieving superior environmental performance in one or both of the following two areas: (1) water resource management; (2) sustainability practices; and goals relating to economic development, public health and social equity; and to recognize their efforts and progress;
2. To improve the quality of life and economic vitality of communities;
3. To help (municipalities, counties) and the Wisconsin Department of Natural Resources address wastewater, stormwater, drinking water, wetlands and other water issues in a holistic, watershed-based manner;
4. To assist (municipalities, counties) in preparing, implementing, and improving an overall watershed plan(s) that integrates the municipality's full range of water resources issues;
5. To assist (municipalities, counties) in preparing, implementing and improving over time a sustainability plan that reduces a (municipality's, county's) impact on the environment;
6. To facilitate access to state and federal funding for projects and activities related to achieving the purposes of this charter, such as energy efficiency, renewable energy, greenhouse gas reductions, comprehensive planning, transportation policies, and integrated planning for wastewater treatment, storm water treatment and management; and drinking water;
7. To realize taxpayer savings through reduced municipal expenditures on motor vehicles fuels and energy resulting from efficient development patterns;
8. To help (municipalities, counties) comply with various water regulations in a more efficient, cost effective and flexible manner;
9. To achieve other demonstrable and measurable environmental improvements beyond what is required by local, state, or federal law; and

WHEREAS, the Village of McFarland was invited to join in this voluntary program and believe participation will further enhance the Village's current commitments to sustainability, and

WHEREAS, the Village of McFarland will benefit from such a partnership with the Green Tier Legacy Communities Program by receiving positive recognition, gaining access to a DNR staff liaison and their

resource team, receiving prioritization in applying for certain grants and streamlining in certain DNR permitting processes, and

WHEREAS, by adopting this resolution the Village of McFarland agrees to sign and hold to the Green Tier Charter for Legacy Communities. The Village will participate in the quarterly meetings, networks and share information with our public and the communities in the program, and provide an annual report noting the progress in our goals, baselines and sustainability plans.

NOW, THEREFORE, BE IT RESOLVED, the Village Board of the Village of McFarland declares itself a signatory to the Green Tier Charter for Legacy Communities and authorizes the Village President, Village Administrator, and Village Clerk/Treasurer to execute the necessary documents on behalf of the Village Board, and

BE IT RESOLVED, that Village Staff are directed to assist with meeting the Charter goals and to submit an annual report to the Organizational Signatories, and

BE IT RESOLVED, that upon adoption, the Village Clerk/Treasurer is hereby directed to send a copy of this resolution to the Wisconsin DNR and the Legacy Communities Green Tier Steering Committee.

The above and foregoing Resolution was duly adopted at a regular meeting of the McFarland Village Board on the XX day of XXXX, 2020.



VILLAGE BOARD SUMMARY SHEET

MEETING DATE: Monday, January 14, 2019

SECTION: Business

DEPARTMENT: Administration

CONTACT: Matt Schuenke, Village Administrator

AGENDA ITEM: Discussion regarding the Green Tier Legacy Community Program in association with the establishment of creating a Sustainability Committee.

PREVIOUS ACTION:

At its meeting on September 10, 2018, the Committee discussed "Village Committee format, structure, and utilization". The direction at the time according to the minutes was for Trustee Clow and O'Hearn "to put together materials for discussion on establishing a sustainability committee".

This item was briefly introduced at the Committee of the Whole meeting on December 10, 2018.

ISSUE SUMMARY:

Continued discussion regarding the Green Tier Legacy Community Program introduced previously by Trustee Clow as a follow up to the discussion about creating a Sustainability Committee. The same materials shared previously are included within this packet for reference.

FINANCIAL/BUDGET IMPACT:

None.

VILLAGE PLAN REFERENCE:

None.

ORDINANCE REFERENCE:

None.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

Presented for discussion as requested.

ATTACHMENTS:

1. Green Tier Legacy Community Program
2. PACE WI Overview 09212016
3. Green Tier Legacy Communities Annual Report Template
4. Sustainability Strategies Scoresheet



5. Resolution Template_word
6. GTLC Write Up
7. LCAH
8. 09.10.18 - COW Minutes

From: [Carolyn Clow](#)
To: [Brad Czebotar](#)
Cc: [Matt Schuenke](#)
Subject: Green Tier Legacy Community Program
Date: Monday, December 03, 2018 10:01:21 PM
Attachments: [PACE WI Overview 09212016.pdf](#)
[Sustainability Strategies Scoresheet.xls](#)
[GTLC Write Up.pdf](#)
[Green Tier Legacy Communities Annual Report Template.pdf](#)
[Resolution Template word.docx](#)
[LCAH.pdf](#)

Brad,

At the September 10 Committee of the Whole meeting, we discussed committee structure. At that time, I brought up the idea of creating a sustainability committee. I have had members of the community approach me with interest in this committee, it is a fairly common committee in units of government and we have an undeniable obligation to do our part to minimize McFarland's contribution to climate change.

I have been researching options for how to set up this committee and I think that we should model our committee after the committee in Monona. Their committee has been around for several years and they have created a sustainability action plan for the community as their work product.

The easiest way into this appears to me to adopt a resolution making McFarland a Green Tier Legacy Community. In this way, we are participating in an already established program framework provided by the DNR. We will have resources for the committee, village staff, the village board and even local businesses through this program. We would also receive preference points when applying for grant funding from the DNR.

I am requesting that we discuss adopting a resolution to participate in the Green Tier Legacy Program and establishing a sustainability committee in our next committee of the whole meeting on December 10, 2019, with the goal of determining the interest of the board in pursuing this idea. If the idea is amenable to the board, we could endeavor to adopt a resolution in January or February and to get the committee appointed by April when new committee formations would happen.

Will Erickson is one of the DNR employees who is responsible for this program. He provided me with the attached information and would be happy to assist us with any questions or setup we need. His contact information is as follows:

Will Erikson
Environmental Business Support Coordinator
Sustainability and Business Support | Green Tier
Wisconsin Department of Natural Resources
phone: (608) 267-3763
e-mail: William.Erikson@wisconsin.gov

Please let me know your thoughts.

Carolyn CLOW

Investing in Local Economies

FINANCING FOR ENERGY-SAVING IMPROVEMENTS

Wisconsin communities are invited to join PACE Wisconsin, a program that empowers building owners to save energy and money, communities to create new jobs, and local economies to flourish—all without any taxpayer assistance.

WHAT IS PACE?

Communities across the United States are taking advantage of the economic development potential offered by Property Assessed Clean Energy (PACE). Wisconsin Statute § 66.0627(8) authorizes Wisconsin counties and municipalities to make PACE financing available in local communities. PACE financing helps stimulate local economies by funding the upfront cost of energy efficiency, renewable energy, and water conservation building improvements.

PACE HELPS COMMUNITIES:

- **Stimulate**—PACE-funded projects stimulate job creation, investment in goods and services, and savings on building operating expenses—improving the market for investment in your community.
- **Profit**—PACE lowers the cost of doing business in your community. Low-interest PACE financing reduces building owners' overall cost of capital to fund necessary building improvements that result in lower operating costs.
- **Revitalize**—Buildings can be revitalized through the installation of efficient windows, lighting, heating, ventilation and air conditioning (HVAC) equipment, and more—improving the local building stock and, in turn, helping raise the value of property and the potential tax base.
- **Sustain**—Many communities have established sustainability goals, but lack the resources necessary to achieve their objectives. PACE fosters the completion of energy and water conservation projects, helping communities achieve their goals.



WISCONSIN PACE COMMISSION: A UNIFIED APPROACH

Creating a PACE program from the ground up can be time consuming and resource-intensive. That's why—with the support of the Wisconsin Counties Association and the League of Wisconsin Municipalities—Wisconsin local governments established the Wisconsin PACE Commission (the "Commission"), which offers an efficient and cost-effective option to collectively administer a uniform PACE program in Wisconsin entitled "PACE Wisconsin."

The Joint Exercise of Powers Agreement

Wisconsin counties and municipalities utilized their joint exercise of powers authority under Wisconsin Statute § 66.0301, to form the Commission. Under the terms of a Joint Exercise of Powers Agreement (the "JPA"), County members agree to adopt a Model PACE Ordinance (discussed below), and to delegate to the Commission the ability to impose PACE Special Charges according to a single, uniform PACE program operated in the Commission members' jurisdiction. Municipal members (cities, villages, and towns) join the Commission, participate in its governance, and agree to support the Commission.

The Model Ordinance

County members agree to adopt a Model PACE Ordinance as a condition of joining the Commission. Among other powers, this ordinance authorizes the County to impose a PACE Special Charge, collect payments for the Special Charge in installments, place those installments on the tax roll at its discretion, and delegate that authority to the Commission.

PACE Wisconsin is available for all Wisconsin communities to minimize the investment required to offer the benefits of PACE in your community.

AN EFFICIENT SOLUTION

- **No cost to local governments**—Neither credit exposure, dedication of general funds, or allocation from constricted budgets is required for local governments to implement PACE. To help promote no-cost, efficient implementation, PACE Wisconsin is administered by a Wisconsin nonprofit organization which recovers its costs through transaction fees assessed on completed projects.
- **Statewide approach**—The PACE Commission establishes uniform standards, documents, and best practices applied consistently across the state. A single PACE program promotes scalability by simplifying participation for stakeholders (financial institutions, contractors, project developers, and building owners).
- **Single point of access**—The Program Administrator serves as a single point of access for stakeholders to access PACE financing. Serving as an agent of the Commission, the Program Administrator maintains and enforces comprehensive program guidelines to ensure each PACE project meets the requirements of the Wisconsin PACE statute and program goal, and certifies that repayments occur according to contract.
- **Open market**—PACE Wisconsin is an “open market,” meaning any qualified lender can participate—providing property owners with access to competitive rates and financing terms. Furthermore, any contractor or project developer can work on a qualified project, fostering local business development.

- **Voluntary participation**—Building owner participation in PACE Wisconsin is 100 percent voluntary. No property owner is obligated to take any action—only those who choose to use PACE to improve their property pay the Special Charge.
- **Lender consent**—PACE Wisconsin requires mortgage lenders to consent to PACE financings made on properties on which they hold a lien, ensuring PACE projects receive buy-in from necessary stakeholders while helping promote the economic viability of PACE-funded projects.

JOIN NOW!

Any Wisconsin community may elect to become members of the Commission pursuant to the terms of the JPA.

1. Pass a resolution authorizing execution of the JPA and (for County members) passage of the Model PACE Ordinance through your county board of supervisors.
2. Sign the JPA.
3. Building owners in your community can now access PACE financing!

Contact any of the organizations or individuals below to help bring PACE Wisconsin to your community.

Wisconsin Counties Association

wicounties.org

Jon Hochkammer | 866.404.2700 | hochkammer@wicounties.org

League of Wisconsin Municipalities

lwm-info.org

Curt Witynski | 608.267.2380 | witynski@lwm-info.org

WECC Energy Finance Solutions

energyfinancesolutions.com/pace

Jason Stringer | 608.729.6854 | jstringer@weccusa.org

von Briesen & Roper, s.c.

vonbriesen.com

Andrew J. Guzikowski | 414.287.1438 | aguzikow@vonbriesen.com

Andrew T. Phillips | 414.287.1570 | aphillips@vonbriesen.com

Foley & Lardner

LLPfoley.com

R. Lynn Parins | 608.258.4339 | lparins@foley.com

Green Tier Legacy Communities

greentiercommunities.org

Laurel Sukup | 608.267.6817 | Laurel.Sukup@wisconsin.gov





Green Tier Legacy Community Annual Report Instructions

For Municipalities or Counties subscribing to the sustainability
component of this Charter

STRUCTURE

The Annual Report consists of two main parts: a narrative portion and an updated Legacy Communities Sustainable Strategy Spreadsheet (Appendix 3 of the Legacy Communities Charter) for that year.

The Narrative portion consists of four basic sections:

1. Title (logo optional) includes the name of the city, the year being reported, an indication of participation in the Sustainability Component of the Green Tier Legacy Charter, with the date that the report was last revised.
2. Sustainability Mission Statement (will likely be the same from year to year)
3. A listing of sustainable initiatives and activities that have been undertaken in the City in that year. The format of this section is based on main category headings with a bullet-point listing and short description of your cities initiatives and programs that fit in that category. Below is a listing of categories that most of the initiatives and activities will fall under. The bolded sections of these categories can be used as headings for this section of the report to create an easy to reference document. Your Annual Report may contain some or all of these categories. This list may also be used as inspiration for areas of sustainability your city can expand into for the future. The categories are:
 - a. **Build and Buy Green**- strategies and programs that use or promote the use of sustainable materials and building techniques.
 - b. **Transportation** – Transportation policies and actions that increase pedestrians, bicyclists, transit passengers as a primary mode of transportation, and that are designed to reduce public per-capita VMR and GHG emissions.
 - c. **Land Use** – Policies and actions that seek to identify, cleanup and redevelop brownfield sites, promote street connectivity and mixed-use development, and protect natural resources.
 - d. **Energy** – Environmental stewardship, energy efficiency, waste and materials management policies and the use of renewable fuels to reduce total energy consumption throughout the community.
 - e. **Water** – Policies and actions that address stormwater facilities and infrastructure, water quality improvement, and water conservation.
 - f. **Waste** - Policies and actions that reduce landfill waste and increase or encourage recycling and reuse.

- g. **Healthy Community Planning** – Policies and projects related to incorporating healthy living into community design – whether by built form, programs, education, etc. in an effort to reduce trends in poor nutrition, inactive lifestyles, chronic disease and other negative health risk factors.

The Sustainable Strategy Scoresheet (Appendix 3 of the Legacy Communities Charter) is attached to these instructions. The purpose of the sustainable strategies scoresheet is to provide a broad list of best management practices that encompass several elements of sustainability. Prospective signatories should use the strategy options to gauge environmental performance and then use this baseline to strive for superior results. Superior environmental performance may be achieved when municipalities and counties use the strategy options to develop a sustainability plan that reduces their overall negative impact on the environment.

To use the strategy options matrix:

- First, use the strategy options to gauge environmental performance and create a baseline score for your City. The baseline score should be entered in column E of the spreadsheet, after you have entered the name of your city, and the year the baseline score is being produced at the top of the column.
- Next, consider your baseline score and the sustainability goals and initiatives your city has in place for the future (which are preferably outlined and discussed in your city's sustainability plan) and set a goal score to work toward in the coming year.
- Each year you will submit a narrative report, you will also score yourself for that year on the strategy options matrix. Create a column for each year after the baseline year. After you have scored yourself for that year, create new goals to work toward (insert columns as needed).

SUBMITTAL TIMELINE

Each Green Tier Legacy Community (GTLC) is expected to submit an Annual Report to the Department of Natural Resources by March 31 of each year after the year they initially become a GTLC. For example, if you became a GTLC in 2017 you do not need to submit an Annual Report for 2017, you would begin submitting Annual Reports with the 2018 report, which will become your baseline year and will be due by March of 2018. Annual Reports would then be submitted every subsequent year thereafter.

Max. Score	 Sustainability Strategies Scoresheet							
	This Sustainability Strategies Scoresheet is provided for members to track sustainability management strategies in transportation, energy, land use, water, waste, and health. This scoresheet is intended to be dynamic and flexible to provide structure for annual reporting. In the spirit of continuous improvement toward superior environmental performance, suggested revisions to this scoresheet are always encouraged. (Approved May 2018)							
TRANSPORTATION DEMAND MANAGEMENT: Transportation demand management strategies aim to reduce GHG emissions and VMT by influencing change in individual behavior. These strategies encourage walking, bicycling, and transit as modes of transportation within a community and seek to curb the number and length of trips by vehicle.			(Insert Community Name) Scores					
			2012	2013	2014	2015	2016	2017
	<u>Bicycle and Pedestrian Programs/Projects</u>							
2	Require bike parking for all new non-residential and multifamily uses.		0	0	0	0	0	0
1	Set standards for placement and number (as function of intensity of use) for bike parking spaces.		0	0	0	0	0	0
3	Commuter bike routes identified and cleared.		0	0	0	0	0	0
10	League of American Bicyclists certification. (Bronze 5, Silver 7, Platinum 10)		0	0	0	0	0	0
3	Funded and operating SRTS program (or functional equivalent) covering at least 10 percent of students.		0	0	0	0	0	0
1	Conduct annual survey of students' mode of transport to school.		0	0	0	0	0	0
	<u>Employer-Based Programs</u>							
5	Require large employers seeking rezoning to set a price signal (cash-out or charge).		0	0	0	0	0	0
5	Require large employers seeking rezoning to provide subsidized transit.		0	0	0	0	0	0
5	Require large employers seeking rezoning to provide a TDM plan that would reduce trips by 20 percent over business as usual.		0	0	0	0	0	0
	<u>Traffic Volume</u>							
3	Track VMT or traffic counts and report on efforts at reduction (including those on this list).		0	0	0	0	0	0
3	Eliminate parking minimums from non-residential districts.		0	0	0	0	0	0
5	Set parking maximums at X per square feet for office and retail uses.		0	0	0	0	0	0
5	Scheduled transit service at basic level (hour peak service within half-mile of 50 percent of addresses).		0	0	0	0	0	0
10	Scheduled transit service at enhanced level (half-hour peak service within 75 percent of addresses).		0	0	0	0	0	0
	TRANSPORTATION SYSTEM MANAGEMENT Transportation system management strategies aim to reduce GHG emissions and VMT by improving the overall performance of a transportation system. These strategies improve existing infrastructure, introduce new technology, and plan for the future of the system.							
	<u>Preservation and Improvement</u>							
3	Develop and fully fund comprehensive maintenance program for existing roads.		0	0	0	0	0	0
5	Charge impact fees for new roads.		0	0	0	0	0	0
5	Calculate lane-miles per capita for arterials and collectors, and show reductions		0	0	0	0	0	0

Max. Score	 Sustainability Strategies Scoresheet	     					
5	Prepare a plan identifying disconnections in bike and pedestrian networks, prioritizing fixes and identifying potential funding sources for the most important projects.	0	0	0	0	0	0
5	Any proposal to add lanes to a two-lane roadway shall be evaluated for a center turn lane, the preferred option over an expansion to four lanes.	0	0	0	0	0	0
3	Identify four-lane roadways with fewer than 20,000 vehicles per day (AADT) and evaluate them for "road diets" with bike lanes or on-street parking	0	0	0	0	0	0
<u>Electric Vehicles</u>							
10	Electric vehicles in gov't fleets - 2% of fleet=5 points. 5% of fleet=10 points.	0	0	0	0	0	0
2	Allow NEVs on appropriate roadways.	0	0	0	0	0	0
2	Provide public charging stations	0	0	0	0	0	0
<u>Vehicle Idling</u>							
5	Ban idling (more than 5 minutes) with local government vehicles.	0	0	0	0	0	0
5	Ban idling (more than 5 minutes) community-wide.	0	0	0	0	0	0
<u>ZONING AND DEVELOPMENT</u>							
Zoning and development strategies work toward improving the overall environmental, economic, and social health of a community by promoting mixed-use and infill development, walkable neighborhoods, and an overall sustainable lifestyle.							
<u>Infill Development</u>							
5	Identify priority areas for infill development, including those eligible for brownfields funding.	0	0	0	0	0	0
10	Create land bank to acquire and assemble priority infill sites	0	0	0	0	0	0
10	Develop an inventory of known contaminated properties for reuse planning, with possible GIS application	0	0	0	0	0	0
<u>Walkscore</u>							
5	Measure Walkscore at 10 random residential addresses per Census tract, compute average, and improve upon overall score	0	0	0	0	0	0
<u>Zoning</u>							
5	Adopt traditional neighborhood design ordinance (If population is less than 12,500)	0	0	0	0	0	0
5	Zoning for office and retail districts permits floor-area ratio > 1, on average.	0	0	0	0	0	0
5	Zoning for office and retail districts requires floor-area ratio > 1, on average.	0	0	0	0	0	0
5	Zoning code includes mixed use districts	0	0	0	0	0	0
5	Mixed-use language from Smart Code TBA.	0	0	0	0	0	0
<u>NATURAL RESOURCE MANAGEMENT</u>							
Natural resource management strategies seek to conserve, preserve, protect and promote a community's greenspace, wildlife, wetlands and waterways for this and future generations by promoting pervious surfaces and adequate setbacks.							

Max. Score	Sustainability Strategies Scoresheet	     					
	GREEN TIER						
	<u>Canopy</u>						
3	Adopt tree preservation ordinance per GTLC standards	0	0	0	0	0	0
3	Set a tree canopy goal and develop a management plan to achieve it	0	0	0	0	0	0
4	Have a Master Naturalist; ISA Certified Arborist or WDNR Community Tree Management Institute (CTMI) graduate on staff	0	0	0	0	0	0
2	Have community tree canopy mapped - https://pg-cloud.com/Wisconsin/	0	0	0	0	0	0
2	Require trees to be planted in all new developments	0	0	0	0	0	0
2	Certification as Tree City USA	0	0	0	0	0	0
2	Certification as Bird City Wisconsin Community	0	0	0	0	0	0
	<u>Vegetation Management</u>						
10	Public properties and rights of way mown or cleared only for safe sightlines and/or to remove invasive species.	0	0	0	0	0	0
10	Create community policy and BMP guidelines on minimizing chemical use during vegetation management of public and private properties	0	0	0	0	0	0
	<u>Water Protection</u>						
6	Establish 75-foot natural vegetation zone by surface water.	0	0	0	0	0	0
6	Inventory wetlands and ensure no net annual loss.	0	0	0	0	0	0
	<u>Community Energy Use</u>						
	Community energy use strategies encourage energy efficiency and the use of renewable fuels to reduce total energy consumption throughout the community						
	<u>Community Energy Use Policies</u>						
10	Adopt PACE ordinance/jpa	0	0	0	0	0	0
10	Use PACE financing	0	0	0	0	0	0
5	Watt meters available to the public	0	0	0	0	0	0
5	Offer residents and businesses a mechanism to purchase shares of the electricity generated through a local renewable energy project. (Ex. a community solar program)	0	0	0	0	0	0
5	Facilitate a group-buy program through which residents receive discounted, volume-based pricing on energy efficiency or renewable energy projects based on aggregated demand.	0	0	0	0	0	0
3	Commit to achieving a science-based, community-wide GHG reduction goal.	0	0	0	0	0	0
3	Adopt Residential Energy Conservation Ordinance (time-of-sale certification and upgrades).	0	0	0	0	0	0
	<u>Measuring Community Energy Use</u>						
6	Work with local utilities to calculate total electricity and natural gas consumption annually, beginning with the fifth year before entering the program.	0	0	0	0	0	0
5	Achieve milestone reductions in GHG emissions, as specified in the community's science-based GHG reduction goals.	0	0	0	0	0	0

Max. Score	 Sustainability Strategies Scoresheet	     					
5	State of Wisconsin Energy Independent (EI) Community designation.	0	0	0	0	0	0
MUNICIPAL ENERGY USE Municipal energy use strategies encourage municipal employees to conserve energy, preserve the environment, and decrease greenhouse gas emissions from municipal facilities, services, and vehicle fleets.							
<u>Government Energy Use Policies</u>							
5	Include transportation energy/emissions as criterion in RFPs for purchases of goods over \$10,000.	0	0	0	0	0	0
2	Develop list of lighting, HVAC and shell improvements to raise Energy Star Portfolio Manager or LEED EBO&M score	0	0	0	0	0	0
10	Reduce motor fuels use for non-transit activities --	0	0	0	0	0	0
6	Provide transit passes at 50 percent or more off the regular price and/or provide parking cash-out options for local government employees.	0	0	0	0	0	0
6	Streetlights operate at 75 lumens/Watt or higher	0	0	0	0	0	0
4	Stoplights are LED or functional equivalent	0	0	0	0	0	0
2	Establish a policy requiring that all major remodeling projects on municipal buildings result in the building receiving an ENERGY STAR score that is five points higher than the building's pre-remodel score.	0	0	0	0	0	0
6	Commit to achieving a science-based GHG reduction goal for emissions resulting from all municipal operations.	0	0	0	0	0	0
3	Incorporate energy use intensity (EUI) targets into the contracting process for all significant municipal construction projects.	0	0	0	0	0	0
5	Establish policies requiring that all new municipal buildings achieve an ENERGY STAR score of 75 or higher.	0	0	0	0	0	0
2	Municipal electricity purchases are at least 5 percentage points higher in renewable content than the statewide renewable portfolio standard requires. Calculation may include self-generated power and purchased offsets.	0	0	0	0	0	0
<u>Measuring Government Energy Use</u>							
2	Work with Energy Task Force/OEI to track municipal facilities - Complete EPA Energy Star Portfolio Manager spreadsheet for government energy use. Or score existing buildings with LEED EBO&M.	0	0	0	0	0	0
3	Achieve milestone reductions in GHG emissions, as specified in the municipality's science-based GHG reduction goal.	0	0	0	0	0	0
4	Calculate annual government fleet use of motor fuels, in gallons of petroleum and biofuels, beginning with the fifth year before entering the program.	0	0	0	0	0	0
10	All new and renovated municipal buildings must meet LEED Silver or greater.	0	0	0	0	0	0
WATER USE CONSERVATION Water Conservation strategy options set baselines and goals for water and energy performance in municipalities. They measure progress and promote water conservation by the government, business, and the community at-large.							
<u>Water Conservation</u>							
5	Track water and sewer use annually, beginning with fifth year before entering program, and develop plan for reductions.	0	0	0	0	0	0

Max. Score	 Sustainability Strategies Scoresheet GREEN TIER	     
1	Develop a water loss control plan with targets below the 15% required by the state and include a system-wide water audit implementation and time table	000000
2	Join EPA's WaterSense Program for water utilities or the Groundwater Guardian Green Sites program and promote them to local business.	000000
6	Use block rates and flat rates to encourage water conservation among residential, commercial, and industrial users.	000000
3	Infiltration and inflow reduction by 10%	000000
3	Plan for replacing all toilets using > 1.6 gpf and annual progress sufficient to reach 90 percent replacement in 10 years.	000000
3?	<u>Local Government Use</u>	
2	Install waterless urinals in men's restrooms at municipal facilities (city hall, parks, etc.)	000000
2	All outdoor watering by local government, excluding parks and golf courses, from rain collection.	000000
2	Develop a water efficiency and conservation plan for municipal buildings	000000
	<u>WATER AND WASTEWATER INFRASTRUCTURE MANAGEMENT</u> Setting goals for the sustainable management of water and wastewater infrastructure reduces costs; saves energy; and ensures the protection of public health and the environment.	
5	Develop and implement asset management plans that set targets for the sustainable maintenance, operation and renewal of water and wastewater infrastructure.	000000
5	Wastewater biogas captured and used in operations.	000000
6	Conduct an energy assessment for municipal water and wastewater facilities and develop a plan to increase energy efficiency	000000
3	Financial assistance for sewer lateral replacements.	000000
4	Set goals for increasing the recovery of resources from wastewater for energy generation (heat or electricity) and fertilizer.	000000
4	Explore partnership options with high-strength waste.	000000
4	Upgrade water and wastewater utility equipment (e.g., variable frequency drive motors) to achieve energy efficiency based on total life cycle, triple bottom line costs (e.g. maintenance and replacement strategies in asset management plans).	000000
	<u>STORMWATER MANAGEMENT</u> Stormwater Management strategy options encourage the use of best management practices to achieve a reduction in the amount of harmful pollutants introduced to our streams, rivers, and lakes.	
3	Develop a regular street sweeping program to reduce total suspended solids	000000
4	Stormwater utility fees offer credits for best management practices such as rain barrels, rain gardens, and pervious paving	000000
3	Inventory all paved surfaces (e.g., by GIS mapping), and develop a plan for reduction	000000
5	Work with commercial or light industrial businesses to develop stormwater pollution plans	000000
	<u>WATER AND DEVELOPMENT</u> Water and Development strategy options link water conservation and the preservation of land, wetlands, and wildlife habitat while promoting compact development, restoration and rehabilitation efforts, and long-term planning.	

Max. Score	 Sustainability Strategies Scoresheet	     					
	<u>Land Development</u>						
3	Identify key green infrastructure areas during plan development and/or implement a plan to acquire and protect key green infrastructure areas	0	0	0	0	0	0
	<u>Waters, Wetlands, and Wildlife</u>						
3	Replace concrete channels with re-meandered and naturalized creeks, wetlands, or swales	0	0	0	0	0	0
4	Develop a system for identifying culverts that obstruct fish migration and install fish friendly culverts where needed	0	0	0	0	0	0
4	Provide incentives for protection of green infrastructure, sensitive areas, important wildlife habitat, or for the restoration or rehabilitation of wetlands or other degraded habitats such as credit towards open space or set-aside requirements	0	0	0	0	0	0
	<u>WASTE MANAGEMENT AND REDUCTION</u>						
	Waste Management and Reduction strategy options encourage municipalities and their citizens to divert organics and recyclables from landfills and properly dispose of hazardous materials in an effort to reduce waste in a community.						
8	Community waste stream monitored at least annually . Waste reduction plan prepared and updated annually	0	0	0	0	0	0
8	Waste and materials management plan based on "zero-waste" principles, with specific goals, prepared and updated annually	0	0	0	0	0	0
3	Construction/deconstruction waste recycling ordinance	0	0	0	0	0	0
5	Mandatory residential curbside recycling pickup that covers paper, metal cans, glass and plastic bottles	0	0	0	0	0	0
5	Develop a municipal collection program that encourages the diversion of food discards, yard materials, and other organics from landfills to composting or anaerobic digestion with energy recovery	0	0	0	0	0	0
6	Develop and promote programs that dispose of household hazardous, medical, and electronic waste	0	0	0	0	0	0
7	Use anaerobic digesters to process organic waste and produce energy	0	0	0	0	0	0
5	Implement municipal ordinances requiring manufacturer takeback for fluorescent bulbs, thermostats and other mercury-containing devices	0	0	0	0	0	0
4	Ordinances in place to reduce the usage of phone books as well as single-use shopping bags, styrofoam food containers and other disposables	0	0	0	0	0	0
4	Pay-as-you-throw system implemented by municipality or required of private waste haulers	0	0	0	0	0	0
3	Use public education and outreach to promote recycling, backyard composting, product re-use and waste reduction	0	0	0	0	0	0
	<u>HEALTHY COMMUNITY PLANNING</u>						
	Policies and projects related to incorporating health living into community design- whether by built form, programs, education, etc. in an effort to reduce trends in poor nutrition, inactive lifestyles, chronic diseases, such as obesity and heart disease, and other negative health risk factors.						
	<u>Policies Affecting Multiple Program Areas</u>						
7	Adopt a resolution that promotes Health in All Policies at the community level (e.g., HEAL Resolution). Include that educational campaigns supporting a program covered by the resolution are appropriately targeted to all of the populations addressed by the program	0	0	0	0	0	0

Max. Score	Sustainability Strategies Scoresheet GREEN TIER						
8	Establish a Health Impact Assessments policy, including when an assessment is required and its scope	0	0	0	0	0	0
	Planning						
7	Add health policies in 1 or more of the community's plans, including the comprehensive plan, long-range transportation plan, bicycle/pedestrian plan and open spaces recreation plan (embedded or stand-alone chapter) or develop a comprehensive, community wide wellness plan.	0	0	0	0	0	0
6	Site schools in the Comprehensive Plan for accessibility with existing or new bicycle and pedestrian infrastructure	0	0	0	0	0	0
8	Encourage the formation and/or support of Neighborhood Improvement Districts (NIDs), Neighborhood Development Corporations, or other similar types of neighborhood reinvestment and enhancement strategies in plans or policies.	0	0	0	0	0	0
	Healthy Food Access						
7	Implement strategies (urban agriculture, community gardens on public land, diversified farmer's markets, expanded traditional retail food options, ordinances to allow urban chickens and beekeeping and vegetable gardening in rights of way) that help increase fresh food access in the community, in particular in areas with food insecurity (e.g., "food deserts" and "food swamps"), including access by EBT and WIC participants.	0	0	0	0	0	0
6	Create a Food Systems Plan that addresses the production, distribution, value-added, marketing, end-market, and disposal of food, and charge a new or existing governmental body to oversee the plan's implementation.	0	0	0	0	0	0
	Physical Activity and Access						
5	Provide an on-street and/or off-street trail network connecting recreational areas in the community (e.g. safe routes to parks) and other trip generators, such as shopping malls, ensuring all neighborhoods are included in planning and implementation.	0	0	0	0	0	0
4	Encourage pedestrian and bicycle site connections from front door of businesses or apartments to a public sidewalk and/or bike lane ensuring connections to all neighborhoods.	0	0	0	0	0	0
4	Provide education and establish programming to encourage physical activity, especially by youth.	0	0	0	0	0	0
7	Establish an expanded public transit that serves commuters from all neighborhoods and major parks and recreation facilities, and has racks on vehicles for carrying bicycles.	0	0	0	0	0	0
5	Require sidewalks in new residential areas and establish a policy for adding sidewalks, as appropriate, in areas built out without sidewalks.	0	0	0	0	0	0
2	Implement a Complete Streets policy.	0	0	0	0	0	0
5	Provide recreation programs for youth, adults, senior citizens and disabled persons.	0	0	0	0	0	0
5	Establish a pedestrian safety task force.	0	0	0	0	0	0
	Housing						
6	Adopt ordinances and programs to maintain a healthy housing stock (code enforcement, landlord licenses, volunteer program, truth-in housing disclosure before sale, etc.).	0	0	0	0	0	0
5	Allow life cycle or adaptable housing options, such as "aging in place", accessory dwelling units, Universal or Inclusive Design, Dementia Friendly Communities, Age-Friendly Communities, etc.	0	0	0	0	0	0

Max. Score	 Sustainability Strategies Scoresheet						
8	Establish a program to make housing more affordable.	0	0	0	0	0	0
5	Establish a program to address chronic homelessness, such as "permanent housing".	0	0	0	0	0	0
	<u>Crime Prevention and Other Harm Reduction</u>						
4	Use by policy, ordinance or practice, Crime Prevention Through Environmental Design and active threat planning to make public spaces, such as recreational space, crime free.	0	0	0	0	0	0
5	Establish and implement Harm Reduction strategies for alcohol outlet density and sexual oriented establishments (e.g. zoning limitations)	0	0	0	0	0	0
5	Adopt an ordinance or policy that requires tobacco-free and e-cigarette free apartments or places limitations on such structures.	0	0	0	0	0	0
6	Adopt an ordinance or policy that promotes tobacco-free and e-cigarette free parks and/or public events on local government-owned property.	0	0	0	0	0	0
	<u>Climate Change</u>						
5	Create and implement a climate change action plan that includes a carbon footprint study, and health related components on reducing air pollution from combustion of fossil fuels and responding to heat episodes and flooding, focusing in particular on most vulnerable populations.	0	0	0	0	0	0
	<u>Noise</u>						
5	Adopt an ordinance, including conditional use permits, on noise abatement for various zoning districts.	0	0	0	0	0	0
	<u>Employee Health</u>						
5	Implement a wellness program for employees of the local jurisdiction.	0	0	0	0	0	0
5	Encourage or partner with others, such as the Chamber of Commerce, etc., to advance workplace wellness programs within the community.	0	0	0	0	0	0
	<u>Placemaking</u>						
5	Support placemaking at varying scale (neighborhood to major city facility) and permanence (temporary to permanent) through programming, financial support and removal of regulatory barriers to promote healthy living and social capital in the community.	0	0	0	0	0	0
5	Adopt form-based codes or similar type design guidelines for healthy active living environments.	0	0	0	0	0	0
	<u>Waste Pharmaceuticals</u>						

Max. Score	Sustainability Strategies Scoresheet							
	GREEN TIER							
This Sustainability Strategies Scoresheet is provided for members to track sustainability management strategies in transportation, energy, land use, water, waste, and health. This scoresheet is intended to be dynamic and flexible to provide structure for annual reporting. In the spirit of continuous improvement toward superior environmental performance, suggested revisions to this scoresheet are always encouraged. (Approved May 2018)								
TRANSPORTATION DEMAND MANAGEMENT: Transportation demand management strategies aim to reduce GHG emissions and VMT by influencing change in individual behavior. These strategies encourage walking, bicycling, and transit as modes of transportation within a community and seek to curb the number and length of trips by vehicle.			(Insert County Name) Scores					
			2012	2013	2014	2015	2016	2017
<u>Bicycle and Pedestrian Programs/Projects</u>								
2	Require bike parking for all new non-residential and multifamily uses.		0	0	0	0	0	0
1	Set standards for placement and number (as function of intensity of use) for bike parking spaces.		0	0	0	0	0	0
3	Commuter bike routes identified and cleared.		0	0	0	0	0	0
10	League of American Bicyclists certification. (Bronze 5, Silver 7, Platinum 10)		0	0	0	0	0	0
3	Funded and operating SRTS program (or functional equivalent) covering at least 10 percent of students.		0	0	0	0	0	0
1	Conduct annual survey of students' mode of transport to school.		0	0	0	0	0	0
<u>Employer-Based Programs</u>								
5	Require large employers seeking rezoning to set a price signal (cash-out or charge).		0	0	0	0	0	0
5	Require large employers seeking rezoning to provide subsidized transit.		0	0	0	0	0	0
5	Require large employers seeking rezoning to provide a TDM plan that would reduce trips by 20 percent over business as usual.		0	0	0	0	0	0
<u>Traffic Volume</u>								
3	Track VMT or traffic counts and report on efforts at reduction (including those on this list).		0	0	0	0	0	0
3	Eliminate parking minimums from non-residential districts.		0	0	0	0	0	0
5	Set parking maximums at X per square feet for office and retail uses.		0	0	0	0	0	0
5	Scheduled transit service at basic level (hour peak service within half-mile of 50 percent of addresses).		0	0	0	0	0	0
10	Scheduled transit service at enhanced level (half-hour peak service within 75 percent of addresses).		0	0	0	0	0	0
TRANSPORTATION SYSTEM MANAGEMENT Transportation system management strategies aim to reduce GHG emissions and VMT by improving the overall performance of a transportation system. These strategies improve existing infrastructure, introduce new technology, and plan for the future of the system.								
<u>Preservation and Improvement</u>								
3	Develop and fully fund comprehensive maintenance program for existing roads.		0	0	0	0	0	0
5	Charge impact fees for new roads.		0	0	0	0	0	0
5	Calculate lane-miles per capita for arterials and collectors, and show reductions		0	0	0	0	0	0

Max. Score	 Sustainability Strategies Scoresheet	     					
5	Prepare a plan identifying disconnections in bike and pedestrian networks, prioritizing fixes and identifying potential funding sources for the most important projects.	0	0	0	0	0	0
5	Any proposal to add lanes to a two-lane roadway shall be evaluated for a center turn lane, the preferred option over an expansion to four lanes.	0	0	0	0	0	0
3	Identify four-lane roadways with fewer than 20,000 vehicles per day (AADT) and evaluate them for "road diets" with bike lanes or on-street parking	0	0	0	0	0	0
<u>Electric Vehicles</u>							
10	Electric vehicles in gov't fleets - 2% of fleet=5 points. 5% of fleet=10 points.	0	0	0	0	0	0
2	Allow NEVs on appropriate roadways.	0	0	0	0	0	0
2	Provide public charging stations	0	0	0	0	0	0
<u>Vehicle Idling</u>							
5	Ban idling (more than 5 minutes) with local government vehicles.	0	0	0	0	0	0
5	Ban idling (more than 5 minutes) community-wide.	0	0	0	0	0	0
<u>ZONING AND DEVELOPMENT</u> Zoning and development strategies work toward improving the overall environmental, economic, and social health of a community by promoting mixed-use and infill development, walkable neighborhoods, and an overall sustainable lifestyle.							
<u>Infill Development</u>							
5	Identify priority areas for infill development, including those eligible for brownfields funding.	0	0	0	0	0	0
10	Create land bank to acquire and assemble priority infill sites	0	0	0	0	0	0
10	Develop an inventory of known contaminated properties for reuse planning, with possible GIS application	0	0	0	0	0	0
<u>Walkscore</u>							
5	Measure Walkscore at 10 random residential addresses per Census tract, compute average, and improve upon overall score	0	0	0	0	0	0
<u>Zoning</u>							
5	Adopt traditional neighborhood design ordinance (If population is less than 12,500)	0	0	0	0	0	0
5	Zoning for office and retail districts permits floor-area ratio > 1, on average.	0	0	0	0	0	0
5	Zoning for office and retail districts requires floor-area ratio > 1, on average.	0	0	0	0	0	0
5	Zoning code includes mixed use districts	0	0	0	0	0	0
5	Mixed-use language from Smart Code TBA.	0	0	0	0	0	0
<u>NATURAL RESOURCE MANAGEMENT</u> Natural resource management strategies seek to conserve, preserve, protect and promote a community's greenspace, wildlife, wetlands and waterways for this and future generations by promoting pervious surfaces and adequate setbacks.							

Max. Score	Sustainability Strategies Scoresheet					
						
	     					
	<u>Canopy</u>					
3	Adopt tree preservation ordinance	0	0	0	0	0
3	Set a tree canopy goal and develop a management plan to achieve it	0	0	0	0	0
2	Require trees to be planted in all new developments	0	0	0	0	0
	<u>Vegetation Management</u>					
10	Public properties and rights of way mown or cleared only for safe sightlines and/or to remove invasive species.	0	0	0	0	0
10	Create community policy and BMP guidelines on minimizing chemical use during vegetation management of public and private properties	0	0	0	0	0
	<u>Water Protection</u>					
6	Establish 75-foot natural vegetation zone by surface water.	0	0	0	0	0
6	Inventory wetlands and ensure no net annual loss.	0	0	0	0	0
	<u>Community Energy Use</u>					
	Community energy use strategies encourage energy efficiency and the use of renewable fuels to reduce total energy consumption throughout the community					
	<u>Community Energy Use Policies</u>					
10	Adopt PACE ordinance/jpa	0	0	0	0	0
10	Use PACE financing	0	0	0	0	0
5	Watt meters available to the public	0	0	0	0	0
5	Offer residents and businesses a mechanism to purchase shares of the electricity generated through a local renewable energy project. (Ex. a community solar program)	0	0	0	0	0
5	Facilitate a group-buy program through which residents receive discounted, volume-based pricing on energy efficiency or renewable energy projects based on aggregated demand.	0	0	0	0	0
3	Commit to achieving a science-based, community-wide GHG reduction goal.	0	0	0	0	0
3	Adopt Residential Energy Conservation Ordinance (time-of-sale certification and upgrades).	0	0	0	0	0
	<u>Measuring Community Energy Use</u>					
6	Work with local utilities to calculate total electricity and natural gas consumption annually, beginning with the fifth year before entering the program.	0	0	0	0	0
5	Achieve milestone reductions in GHG emissions, as specified in the community's science-based GHG reduction goals.	0	0	0	0	0
5	State of Wisconsin Energy Independent (EI) Community designation.	0	0	0	0	0
	<u>MUNICIPAL ENERGY USE</u>					
	Municipal energy use strategies encourage municipal employees to conserve energy, preserve the environment, and decrease greenhouse gas emissions from municipal facilities, services, and vehicle fleets.					

Max. Score		GREEN TIER Sustainability Strategies Scoresheet						WISCONSIN DEPT OF NATURAL RESOURCES LEAGUE OF WISCONSIN MUNICIPALITIES 1000 FRIENDS OF WISCONSIN WISCONSIN COUNTIES ASSOCIATION COWS BUILDING THE HIGH ROAD					
Government Energy Use Policies													
5	Include transportation energy/emissions as criterion in RFPs for purchases of goods over \$10,000.	0	0	0	0	0	0						
2	Develop list of lighting, HVAC and shell improvements to raise Energy Star Portfolio Manager or LEED EBO&M score	0	0	0	0	0	0						
10	Reduce motor fuels use for non-transit activities --	0	0	0	0	0	0						
6	Provide transit passes at 50 percent or more off the regular price and/or provide parking cash-out options for local government employees.	0	0	0	0	0	0						
6	Streetlights operate at 75 lumens/Watt or higher	0	0	0	0	0	0						
4	Stoplights are LED or functional equivalent	0	0	0	0	0	0						
2	Establish a policy requiring that all major remodeling projects on municipal buildings result in the building receiving an ENERGY STAR score that is five points higher than the building's pre-remodel score.	0	0	0	0	0	0						
6	Commit to achieving a science-based GHG reduction goal for emissions resulting from all municipal operations.	0	0	0	0	0	0						
3	Incorporate energy use intensity (EUI) targets into the contracting process for all significant municipal construction projects.	0	0	0	0	0	0						
5	Establish policies requiring that all new municipal buildings achieve an ENERGY STAR score of 75 or higher.	0	0	0	0	0	0						
2	Municipal electricity purchases are at least 5 percentage points higher in renewable content than the statewide renewable portfolio standard requires. Calculation may include self-generated power and purchased offsets.	0	0	0	0	0	0						
Measuring Government Energy Use													
2	Work with Energy Task Force OEI to track municipal facilities - Complete EPA Energy Star Portfolio Manager spreadsheet for government energy use. Or score existing buildings with LEED EBO&M.	0	0	0	0	0	0						
3	Achieve milestone reductions in GHG emissions, as specified in the municipality's science-based GHG reduction goal.	0	0	0	0	0	0						
4	Calculate annual government fleet use of motor fuels, in gallons of petroleum and biofuels, beginning with the fifth year before entering the program.	0	0	0	0	0	0						
10	All new and renovated municipal buildings must meet LEED Silver or greater.	0	0	0	0	0	0						
WATER USE CONSERVATION													
Water Conservation strategy options set baselines and goals for water and energy performance in municipalities. They measure progress and promote water conservation by the government, business, and the community at-large.													
Water Conservation													
5	Track water and sewer use annually, beginning with fifth year before entering program, and develop plan for reductions.	0	0	0	0	0	0						
1	Develop a water loss control plan with targets below the 15% required by the state and include a system-wide water audit implementation and time table	0	0	0	0	0	0						
2	Join EPA's WaterSense Program for water utilities or the Groundwater Guardian Green Sites program and promote them to local business.	0	0	0	0	0	0						
6	Use block rates and flat rates to encourage water conservation among residential, commercial, and industrial users.	0	0	0	0	0	0						

Max. Score	 Sustainability Strategies Scoresheet	     					
3	Infiltration and inflow reduction by 10%	0	0	0	0	0	0
3	Plan for replacing all toilets using > 1.6 gpf and annual progress sufficient to reach 90 percent replacement in 10 years.	0	0	0	0	0	0
Local Government Use							
2	Install waterless urinals in men's restrooms at municipal facilities (city hall, parks, etc.)	0	0	0	0	0	0
2	All outdoor watering by local government, excluding parks and golf courses, from rain collection.	0	0	0	0	0	0
2	Develop a water efficiency and conservation plan for municipal buildings	0	0	0	0	0	0
WATER AND WASTEWATER INFRASTRUCTURE MANAGEMENT							
Setting goals for the sustainable management of water and wastewater infrastructure reduces costs; saves energy; and ensures the protection of public health and the environment.							
5	Develop and implement asset management plans that set targets for the sustainable maintenance, operation and renewal of water and wastewater infrastructure.	0	0	0	0	0	0
5	Wastewater biogas captured and used in operations.	0	0	0	0	0	0
6	Conduct an energy assessment for municipal water and wastewater facilities and develop a plan to increase energy efficiency	0	0	0	0	0	0
3	Financial assistance for sewer lateral replacements.	0	0	0	0	0	0
4	Set goals for increasing the recovery of resources from wastewater for energy generation (heat or electricity) and fertilizer.	0	0	0	0	0	0
4	Explore partnership options with high-strength waste.	0	0	0	0	0	0
4	Upgrade water and wastewater utility equipment (e.g., variable frequency drive motors) to achieve energy efficiency based on total life cycle, triple bottom line costs (e.g. maintenance and replacement strategies in asset management plans).	0	0	0	0	0	0
STORMWATER MANAGEMENT							
Stormwater Management strategy options encourage the use of best management practices to achieve a reduction in the amount of harmful pollutants introduced to our streams, rivers, and lakes.							
3	Develop a regular street sweeping program to reduce total suspended solids	0	0	0	0	0	0
4	Stormwater utility fees offer credits for best management practices such as rain barrels, rain gardens, and pervious paving	0	0	0	0	0	0
3	Inventory all paved surfaces (e.g., by GIS mapping), and develop a plan for reduction	0	0	0	0	0	0
5	Work with commercial or light industrial businesses to develop stormwater pollution plans	0	0	0	0	0	0
WATER AND DEVELOPMENT							
Water and Development strategy options link water conservation and the preservation of land, wetlands, and wildlife habitat while promoting compact development, restoration and rehabilitation efforts, and long-term planning.							
Land Development							
3	Identify key green infrastructure areas during plan development and/or implement a plan to acquire and protect key green infrastructure areas	0	0	0	0	0	0
Waters, Wetlands, and Wildlife							

Max. Score	 Sustainability Strategies Scoresheet						
3	Replace concrete channels with re-meandered and naturalized creeks, wetlands, or swales	0	0	0	0	0	0
4	Develop a system for identifying culverts that obstruct fish migration and install fish friendly culverts where needed	0	0	0	0	0	0
4	Provide incentives for protection of green infrastructure, sensitive areas, important wildlife habitat, or for the restoration or rehabilitation of wetlands or other degraded habitats such as credit towards open space or set-aside requirements	0	0	0	0	0	0
WASTE MANAGEMENT AND REDUCTION							
Waste Management and Reduction strategy options encourage municipalities and their citizens to divert organics and recyclables from landfills and properly dispose of hazardous materials in an effort to reduce waste in a community.							
8	Community waste stream monitored at least annually . Waste reduction plan prepared and updated annually	0	0	0	0	0	0
8	Waste and materials management plan based on "zero-waste" principles, with specific goals, prepared and updated annually	0	0	0	0	0	0
3	Construction/deconstruction waste recycling ordinance	0	0	0	0	0	0
5	Mandatory residential curbside recycling pickup that covers paper, metal cans, glass and plastic bottles	0	0	0	0	0	0
5	Develop a municipal collection program that encourages the diversion of food discards, yard materials, and other organics from landfills to composting or anaerobic digestion with energy recovery	0	0	0	0	0	0
6	Develop and promote programs that dispose of household hazardous, medical, and electronic waste	0	0	0	0	0	0
7	Use anaerobic digesters to process organic waste and produce energy	0	0	0	0	0	0
5	Implement municipal ordinances requiring manufacturer takeback for fluorescent bulbs, thermostats and other mercury-containing devices	0	0	0	0	0	0
4	Ordinances in place to reduce the usage of phone books as well as single-use shopping bags, styrofoam food containers and other disposables	0	0	0	0	0	0
4	Pay-as-you-throw system implemented by municipality or required of private waste haulers	0	0	0	0	0	0
3	Use public education and outreach to promote recycling, backyard composting, product re-use and waste reduction	0	0	0	0	0	0
HEALTHY COMMUNITY PLANNING							
Policies and projects related to incorporating health living into community design- whether by built form, programs, education, etc. in an effort to reduce trends in poor nutrition, inactive lifestyles, chronic diseases, such as obesity and heart disease, and other negative health risk factors.							
Policies Affecting Multiple Program Areas							
7	Adopt a resolution that promotes Health in All Policies at the community level (e.g., HEAL Resolution). Include that educational campaigns supporting a program covered by the resolution are appropriately targeted to all of the populations addressed by the program	0	0	0	0	0	0
8	Establish a Health Impact Assessments policy, including when an assessment is required and its scope	0	0	0	0	0	0
Planning							
7	Add health policies in 1 or more of the community's plans, including the comprehensive plan, long-range transportation plan, bicycle/pedestrian plan and open spaces recreation plan (embedded or stand-alone chapter) or develop a comprehensive, community wide wellness plan.	0	0	0	0	0	0

Max. Score	 Sustainability Strategies Scoresheet	     
6	Site schools in the Comprehensive Plan for accessibility with existing or new bicycle and pedestrian infrastructure	000000
8	Encourage the formation and/or support of Neighborhood Improvement Districts (NIDs), Neighborhood Development Corporations, or other similar types of neighborhood reinvestment and enhancement strategies in plans or policies.	000000
Healthy Food Access		
7	Implement strategies (urban agriculture, community gardens on public land, diversified farmer's markets, expanded traditional retail food options, ordinances to allow urban chickens and beekeeping and vegetable gardening in rights of way) that help increase fresh food access in the community, in particular in areas with food insecurity (e.g., "food deserts" and "food swamps"), including access by EBT and WIC participants.	000000
6	Create a Food Systems Plan that addresses the production, distribution, value-added, marketing, end-market, and disposal of food, and charge a new or existing governmental body to oversee the plan's implementation.	000000
Physical Activity and Access		
5	Provide an on-street and/or off-street trail network connecting recreational areas in the community (e.g. safe routes to parks) and other trip generators, such as shopping malls, ensuring all neighborhoods are included in planning and implementation.	000000
4	Encourage pedestrian and bicycle site connections from front door of businesses or apartments to a public sidewalk and/or bike lane ensuring connections to all neighborhoods.	000000
4	Provide education and establish programming to encourage physical activity, especially by youth.	000000
7	Establish an expanded public transit that serves commuters from all neighborhoods and major parks and recreation facilities, and has racks on vehicles for carrying bicycles.	000000
5	Require sidewalks in new residential areas and establish a policy for adding sidewalks, as appropriate, in areas built out without sidewalks.	000000
2	Implement a Complete Streets policy.	000000
5	Provide recreation programs for youth, adults, senior citizens and disabled persons.	000000
5	Establish a pedestrian safety task force.	000000
Housing		
6	Adopt ordinances and programs to maintain a healthy housing stock (code enforcement, landlord licenses, volunteer program, truth-in housing disclosure before sale, etc.).	000000
5	Allow life cycle or adaptable housing options, such as "aging in place", accessory dwelling units, Universal or Inclusive Design, Dementia Friendly Communities, Age-Friendly Communities, etc.	000000
8	Establish a program to make housing more affordable.	000000
5	Establish a program to address chronic homelessness, such as "permanent housing".	000000
Crime Prevention and Other Harm Reduction		

Max. Score	 Sustainability Strategies Scoresheet						
4	Use by policy, ordinance or practice, Crime Prevention Through Environmental Design and active threat planning to make public spaces, such as recreational space, crime free.	0	0	0	0	0	0
5	Establish and implement Harm Reduction strategies for alcohol outlet density and sexual oriented establishments (e.g. zoning limitations)	0	0	0	0	0	0
5	Adopt an ordinance or policy that requires tobacco-free and e-cigarette free apartments or places limitations on such structures.	0	0	0	0	0	0
6	Adopt an ordinance or policy that promotes tobacco-free and e-cigarette free parks and/or public events on local government-owned property.	0	0	0	0	0	0
<u>Climate Change</u>							
5	Create and implement a climate change action plan that includes a carbon footprint study, and health related components on reducing air pollution from combustion of fossil fuels and responding to heat episodes and flooding, focusing in particular on most vulnerable populations.	0	0	0	0	0	0
<u>Noise</u>							
5	Adopt an ordinance, including conditional use permits, on noise abatement for various zoning districts.	0	0	0	0	0	0
<u>Employee Health</u>							
5	Implement a wellness program for employees of the local jurisdiction.	0	0	0	0	0	0
5	Encourage or partner with others, such as the Chamber of Commerce, etc., to advance workplace wellness programs within the community.	0	0	0	0	0	0
<u>Placemaking</u>							
5	Support placemaking at varying scale (neighborhood to major city facility) and permanence (temporary to permanent) through programming, financial support and removal of regulatory barriers to promote healthy living and social capital in the community.	0	0	0	0	0	0
5	Adopt form-based codes or similar type design guidelines for healthy active living environments.	0	0	0	0	0	0
<u>Waste Pharmaceuticals</u>							

RESOLUTION

RESOLUTION APPROVING PARTICIPATION IN THE GREEN TIER LEGACY COMMUNITY PROGRAM.

WHEREAS, the Wisconsin Department of Natural Resources in partnership with the League of Wisconsin Municipalities, 1,000 Friends of Wisconsin, Wisconsin Energy Conservation Corp, Center on Wisconsin Strategy, Wisconsin Counties Association and the cities of Appleton, Bayfield, Fitchburg, Middleton, Ashland, Monona, Eau Claire, Bayside, Port Washington, Sheboygan, La Crosse and the Village of Weston have created a Green Tier Charter For Legacy Communities with goals of:

1. To assist (municipalities, counties) in achieving superior environmental performance in one or both of the following two areas: (1) water resource management; (2) sustainability practices; and goals relating to economic development, public health and social equity; and to recognize their efforts and progress;
2. To improve the quality of life and economic vitality of communities;
3. To help (municipalities, counties) and the Wisconsin Department of Natural Resources address wastewater, stormwater, drinking water, wetlands and other water issues in a holistic, watershed-based manner;
4. To assist (municipalities, counties) in preparing, implementing, and improving an overall watershed plan(s) that integrates the municipality's full range of water resources issues;
5. To assist (municipalities, counties) in preparing, implementing and improving over time a sustainability plan that reduces a (municipality's, county's) impact on the environment;
6. To facilitate access to state and federal funding for projects and activities related to achieving the purposes of this charter, such as energy efficiency, renewable energy, greenhouse gas reductions, comprehensive planning, transportation policies, and integrated planning for wastewater treatment, storm water treatment and management; and drinking water;
7. To realize taxpayer savings through reduced municipal expenditures on motor vehicles fuels and energy resulting from efficient development patterns;
8. To help (municipalities, counties) comply with various water regulations in a more efficient, cost effective and flexible manner;
9. To achieve other demonstrable and measurable environmental improvements beyond what is required by local, state, or federal law; and

WHEREAS, the (City, County) was invited to join in this voluntary program and believe participation will further enhance our (City, County) current commitments to sustainability, and

WHEREAS, the (City, County) will benefit from such a partnership with the Green Tier Legacy Communities Program by receiving positive recognition, gaining access to a DNR staff liaison and

their resource team, receiving prioritization in applying for certain grants and streamlining in certain DNR permitting processes, and

WHEREAS, by adopting this resolution the (City, County) agrees to sign and hold to the Green Tier Charter for Legacy Communities. We will participate in the quarterly meetings, networks and share information with our public and the communities in the program, and provide an annual report noting the progress in our goals, baselines and sustainability plans.

NOW, THEREFORE, BE IT RESOLVED by the (City Council, County) declares itself a signatory to the Green Tier Charter for Legacy Communities and authorizes the Council President, City Manager and City Clerk to execute the necessary documents on behalf of the City Council, and

BE IT FURTHER RESOLVED, that (City, County) staff are directed to assist with meeting the Charter goals and to submit an annual report to the Organizational Signatories, and

BE IT FURTHER RESOLVED, that upon adoption, the (City, County) Clerk is hereby directed to send a copy of this resolution to the Wisconsin DNR and the Legacy Communities Green Tier Steering Committee.

(Adoption Date)

(SEAL) _____

(SEAL) _____

(ATTESTED) _____



Join Wisconsin's Most Innovative Counties and Municipalities

The Green Tier-Legacy Communities is a network focused on advancing sustainable practices. The mission of the Charter is to assist municipalities to move faster and to go further with their sustainability goals. Members work together to share information and work towards sustainable practices. The network allows for collaborating amongst communities where best management practices and new techniques are shared. The network also allows for some friendly competition where communities challenge themselves to become even greater environmental stewards.

Membership:

In the 5 plus years since the Charter was first developed, membership has grown to include many of Wisconsin's most innovative communities and counties. Members include:

- Cities: Appleton, Ashland, Bayfield, Eau Claire, Fitchburg, La Crosse, Monona, Middleton, New Richmond, Oshkosh, Port Washington, Sheboygan, Stevens Point, Racine, Wauwatosa and Wisconsin Rapids;
- Villages: Bayside, Egg Harbor and Weston;
- Counties: Bayfield, Eau Claire, La Crosse and St. Croix County;
- The Wisconsin Counties Association;
- 1000 Friends of Wisconsin;
- The League of Wisconsin Municipalities;
- Municipal Environmental Group – Wastewater;
- Center on Wisconsin Strategy;
- Wisconsin Energy Conservation Corporation;
- Wisconsin Department of Natural Resources.

Benefits:

Benefits of membership include access to NGO resources, a single point of contact within the DNR along with agency technical assistance, networking opportunities with municipalities and counties across the state, access to the monthly Sustainable Strategies Webinar Series for Municipal Professionals, use of the Green Tier Logo for promotional use, and additional points on grants¹. Here are some examples:

- Acknowledgement on certain Urban Forestry (UF) grants ranking process. Appendix E, page 26, table 3 describes the ranking criteria in the UF Grant application guide (<http://dnr.wi.gov/topic/UrbanForests/grants/documents/RegularGrantAppGuide.pdf>)
- Bonus points for members in the Urban Nonpoint Source & Storm Water Management grant evaluation process. (applicant must affirmatively answer question 6 (proposed project implements a water quality recommendation from a locally approved resource management plan) <http://dnr.wi.gov/files/PDF/forms/8700/8700-299.pdf?p=q>
- Additional points awarded from the Wisconsin State Energy Office on the Municipal Energy Efficiency Technical Assistance Program (MEETAP) grants process. <http://www.stateenergyoffice.wi.gov/section.asp?linkid=1844&locid=160>

¹ Not all members will be eligible for all incentives

Requirements:

There are a few steps that a municipality or county need to do to join Legacy Communities. Those steps include:

- Resolution with their city council or county board expressing intent to become a Legacy Community;
- Develop a baseline assessment, using the Green Tier Legacy Communities Charter's Best Management Practices (Appendix 3 Sustainability Strategies Matrix);
- Actively participate in members meetings and share experiences;
- Commit to submitting an annual report to document accomplishments, hurdles and address future goals. To see examples please go to:

<http://greentiercommunities.org/links/non-profit-annual-reports/>



Legacy Community Representatives on a Tour of Ashland

Governance:

Governance decisions and direction are set by all of the Charter participants where each signator is given an equal vote. Governance of the Charter is directed through Member's Meetings. These meetings are rotated around the state; hosted by participating Legacy Communities.

Current Activities:

Per our member's direction, task forces have been created to focus on specific issues, strategies and opportunities. Current topics include:

- Healthy Communities – Holistically addresses the health of communities by looking at factors like city planning, infrastructure, food accessibility, resource allocation and building/leveraging relations with health care providers.
- Energy – Working to better benchmark energy use, promote Property Assessed Clean Energy Financing projects (www.pacewi.org), prioritize investments, promote efficient but low-cost strategies and develop guidance to incorporate sustainable practices into capital investments.

The Green Tier Legacy Communities Charter provides opportunities for face-to-face engagement, technical sessions and resource sharing; municipalities and counties work to foster superior environmental performance – and maybe a few bragging rights. For more information on the Green Tier Legacy Communities, please contact Will Erikson, at 608-267-3763 or by email at William.Erikson@Wisconsin.Gov

The links to the Legacy Communities Charter websites below contain more details:

<http://dnr.wi.gov/topic/greentier/participants/legacycommunities.html>

&

<http://greentiercommunities.org/>



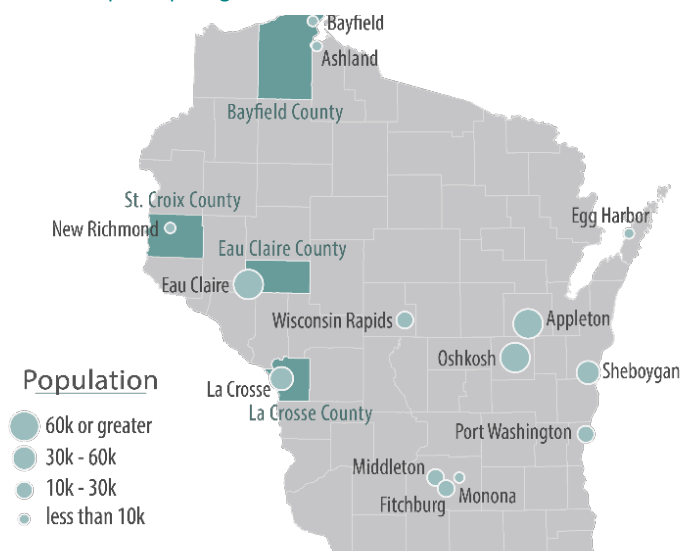
The Legacy Community Alliance for Health

Empowering local governments in Wisconsin to understand, consider, and incorporate health equity in decision making

Across Wisconsin, opportunities to live a long, healthy life are not shared equally by all. The results are clear in local and state-level data: many of Wisconsin's health outcomes lag national averages, and Wisconsin is home to some of the most extreme health disparities by race and income in the nation. Local governments are on the front lines of these challenges. Every day, they deal with the negative outcomes in lost productivity, high health care costs and reduced quality of life. Local governments also have the opportunity to directly influence and improve many of the determinants of health and health equity, through their management of parks and recreational spaces, enforcement of building codes, maintenance of public streets and sidewalks, water treatment, their mix of energy use, and zoning for urban agriculture. But few local governments are using these policy tools to improve community health and wellbeing in a comprehensive and systematic way. Even where there is political will to take such an approach, they face barriers in staff time and capacity, and lack the requisite tools and training.

The Legacy Community Alliance for Health aims to address these barriers, enabling local governments to work on health equity in a data-driven, evidence-based way. Through a partnership of two existing networks — one of UW academic partners and a second of Wisconsin local governments and non-governmental organizations — this project will work to systematically embed considerations of health and equity within the regular operation of city, village and county departments and staff.

Communities participating in LCAH



Members of the Green Tier Legacy Communities, the network from which participating communities are drawn, have already made a commitment to a comprehensive approach towards sustainability that includes health. Through this partnership, academic, nonprofit, and state organizations will support these community partners with expertise in engagement, data and modeling, health equity tools, and their experience working with local governments. Together we will identify, plan, and implement a health equity project that takes into account local needs and context and responds to local health equity concerns. With this approach, we believe we can make a significant, long-lasting impact on health in these communities, and provide models for other communities in Wisconsin.

In this project we are using and advocating a Health in All Policies (HiAP) approach, a proven framework for comprehensive and collaborative local government action. HiAP provides a framework for identifying public policy alternatives that have a positive impact on health outcomes while anticipating and avoiding unintended impacts that can adversely impact health or increase disparities. Resources provided to the municipalities include training, facilitation, technical assistance, policy research, data tools, and more. As these local governments implement HiAP, health and health equity will be embedded in conversations and decisions about future policies and programs, leading to long-term health gains in these communities.

Through this project we are developing messages, strategies, policies, and tools that will be useful to communities across Wisconsin who want to take a proactive approach to making their communities healthier, more sustainable, and more equitable. We will continue to share these tools and strategies at the Green Tier website (<http://greentiercommunities.org/>) and through our growing distribution list.

For more information about this project, media inquiries, or to join our distribution list, please contact Project Coordinator Katya Szabados at COWS, at 608.262.5831 or knszabados@cows.org